FINANCIAL TIMES

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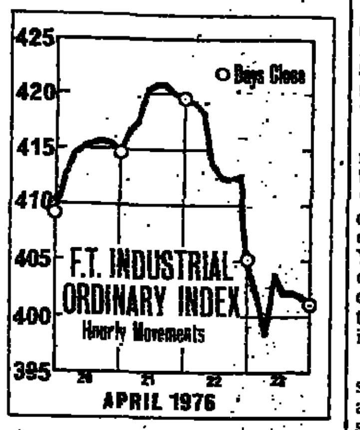
...S SUMMARY

BUSINESS

Equities fall 4.2; gilts near 1976 low

● EQUITIES attempted a rally after Mr. Len Murray's wages deal speech, but it petered out. The FT 30-share index lost 4.2



at 401.0 for a fall of eight points on the week. The Gold Mines index, however, added 3.1 more at 174.0 for a 21.6 rise over the week.

● GILTS lost up to a point. The Government Securities index, down 0.63 at 60.83, was only 0.04 above its 1976 low after a three-day fall of 2.47.

● THE £ lost 50 points to $1.8230 and its weighted depreciation widened to 37.5 (37.4) per cent., both record closing lows. Dollar's depreciation narrowed to 1.44 (1.54) per cent.

● GOLD again closed unchanged at $127¼.

● WALL STREET dropped 7 points to 1,000.71.

● U.S. FEDERAL Reserve Board may have to tighten credit and force up interest rates owing to the latest surge in the country's money supply. Back Page

Leyland output hopes rise

● BRITISH Leyland's hopes for a return to full production next week have improved with the settlement of the Rubery Owen strike, while the Cowley dispute is likely to be resolved on Monday. Back Page

● ICI is applying for the third rise in the price of naphtha, the chemical raw material, since December, partly as a result of the continuing devaluation of sterling. Page 9

● FOSTER WHEELER, the Reading-based engineering and construction company, has won a contract to build a £125m. steelworks at Ahwaz, Iran.

● ARBUTHNOT LATHAM, the City accepting house and merchant bank, has gained additional financial muscle from the U.S. Bronfman whisky dynasty and Italian Agnelli family, who are among institutional shareholders buying a 15 per cent. stake. Back Page

● DOW CHEMICAL is to build a £5m. agricultural chemicals plant at its Kings Lynn site to produced the insecticide Dursban. Page 9

● GUERNSEY plans closer supervision over certain commercial activities by tightening up its Control of Borrowing law.

COMPANIES

● EXXON, the world's largest oil company, improved its first-quarter earnings by 22 per cent. this year to $730m. (£400m.) after exceptional foreign exchange profits. Page 11. Esso Petroleum its U.K. subsidiary made a profit of £28.7m. in 1975, £27.5m. lower than in the previous year. Page 24

● ALLIED POLYMER Group pre-tax profit decreased in 1975 to £2.25m. (£3.39m.). Page 16 and Lex

● SANDEMAN profits last year fell to £817,000 (£2.47m.) after unexpected losses at wine-making centres in Portugal. Page 16

Pound drifts despite MLR rise to 10½%

BY ANTHONY HARRIS

A 1½-POINT RISE in the Bank of England's Minimum Lending Rate to 10½ per cent.—half a point more than the authorities had indicated on Thursday—produced only a brief recovery in the foreign value of the pound yesterday, but the market was much calmer.

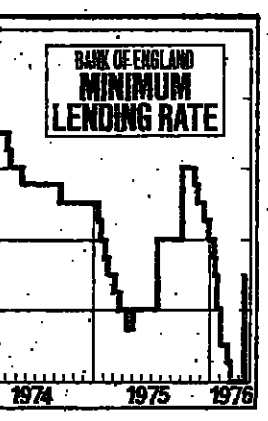
After rallying early, the pound drifted down more than a cent from its high point to close at $1.8230, half a cent off. Its effective depreciation widened by 0.1 to 37.5 per cent.

The rise in the official lending rate—which could leave domestic bank lending rates unchanged—*was not quite big enough* to carry full conviction to the exchange market. Later, in New York, sterling slid a further 1.6 cents before lunch. The progress of the Government's talks with the TUC remains the dominant influence on foreign sentiment.

The day's highest value for sterling, $1.8365, came shortly after reports of Mr. Len Murray's speech to the London conference of European trade union leaders, in which he declared he was confident of an agreement.

The tone of trade union comment, and of the Prime Minister's speech to the shop workers union, USDAW, to-morrow is likely to be crucial in setting the tone of the exchange markets on Monday.

"The market sees that there is no agreement yet, and fears that the fall in sterling may make it harder to agree on a reasonable figure" a New York dealer explained.



But given the assurance of a hard figure, there could be a sharp rally. "Most people would agree that sterling is now undervalued if British inflation continues to decline; but as long as there is uncertainty about the future, the market is not interested in economic judgments based on present trends."

His view was that a settlement between 3 and 4 per cent., and possibly any figure under 5 per cent., would effectively restore confidence.

Meanwhile, the Government continues to argue for the Chancellor's figure of 3 per cent. Mr. Edmund Dell, the new Trade secretary, said yesterday that no higher figure would be compatible with halving the inflation rate, and that trade unionists must not imagine that they would be better off with a higher increase.

Only higher economic growth would make it possible to improve real incomes, he said, and growth depended on conquering inflation.

The pattern of steadier trading in London followed by renewed selling in New York shows that the interest rate move—and even a further rise, which some dealers think possible—can have only a limited effect.

The rise in MLR will impose a somewhat higher cost on the commercial covering operations—the forward sale of expected sterling receipts, and buying of foreign currency in advance of need—which has gathered force at a heavy cost to the reserves in recent days. However, foreign holders—so far as they still hold liquid funds in sterling—are, little concerned with interest rates.

The effect of the rise in MLR in foreign markets was further muted by the unexpectedly sharp rise in the U.S. money supply in the last week, which raised fears that the Federal Reserve Board may soon move to tighten monetary policy and raise interest rates in New York. This would erode the interest rate differential which the London move has opened up.

The size of the rise in MLR was a most unusual example of the market reacting more sharply to an official lead than the authorities appear to have intended. The extraordinary uncertainty in London markets was reflected in an unusually wide spread of bids at the Treasury bill tender, with some discount houses reportedly making defensive low bids compatible with a 2 per cent. rise in the lending rate.

In the exchange market, too, dealers widened the spread between their buying and selling prices in a market so thin that individual orders of modest size moved the rate sharply.

Editorial comment, Page 14
U.K. Cars gain, Page 9
Labour Left angry, Page 15

The possible effect on domestic overdraft rates depends entirely on developments next week. Rates will have to rise, if money market rates, and the key inter-bank lending rate, rise to a point where it would pay commercial borrowers to draw overdrafts to lend in the money market—the "arbitraging" which added up to £5bn. to the money supply in 1973.

Yesterday, however, the inter-bank rate remained safely below the rate which the banks charge to their most favoured borrowers, and the clearing banks indicated that they would be reluctant to raise the base rate on which their lending and deposit rates are calculated unless forced to do so by market conditions.

TUC speeds wage talks to help sterling

BY ROY ROGERS, LABOUR CORRESPONDENT

TUC LEADERS last night bowed to intense Government pressure and agreed to speed up wage policy talks in an attempt to help ease the run on sterling.

At a three-hour meeting between a Government team led by Mr. Denis Healey, Chancellor, and TUC negotiators headed by general secretary, Mr. Len Murray, the sterling crisis was one of the major points discussed.

Prices, rents and import controls were also on the agenda, but according to Mr. Murray pay policy talks were still largely exploratory. No actual percentages had been discussed, although it was clear that the Government offer of a 3 per cent. norm was "inadequate."

These items will all come up again at the TUC-Labour Party liaison committee on Monday and at a further session between Ministers and TUC negotiators at Downing Street on Tuesday.

Some TUC leaders are known to believe that the sterling crisis is now so grave that they should consider concluding a swift compromise between the Chancellor's offer of 3 per cent. plus £1bn. of tax concessions and the TUC target of 5 per cent. plus the tax relief and Government action to safeguard jobs and peg prices.

This view may well be considered at a special meeting of the key TUC economic committee called for Monday evening.

The full TUC general council will review progress on Wednesday, but, despite the anxiety over sterling, it will almost certainly take more negotiations and at least one other meeting of the general council—probably in early May—before any hard proposals emerge.

Mr. Murray's assessment of the situation was that the two sides were "homing in on objectives." He said that neither the Government nor the TUC could comprehend the recent fall in the value of sterling.

Mr. Murray "hoped and believed" that an agreement on the next phase of pay policy would be reached in time for the special TUC conference being called for June 16.

TUC anxiety over the sterling *situation was revealed earlier in* the day

Addressing the European Trade Union Confederation meeting in London just hours before the delicate policy negotiations were due to resume, Mr. Murray admitted there were still details to be worked out.

But he stressed: "I have not the slightest doubt that there will soon be an agreement on wages for another year and that the level set will be such as to enable the rate of inflation to be cut substantially still further in the next 12 months."

He interrupted his set speech

Mr. Murray: confident of an agreement on pay

to refer to the sterling crisis which he described as a matter of great urgency both in the country and the trade union movement.

"Over the past two days, for no clear reason at all, British currency has come under great pressure. It is said that some of the present difficulties arise from the belief that this week's meeting of the Scottish TUC rejected the idea of a bargain with the Government. It did not."

He wanted to make it absolutely clear that union policy was made by the TUC which covered the whole of Britain including Wales and Scotland. The TUC had certainly not rejected the idea of an agreement with the Government.

Earlier this week the Scottish TUC rejected as inadequate the Chancellor's Budget offer of 3 per cent. plus tax concessions—a stance already adopted by the TUC negotiators.

A similar emergency motion is due to be discussed by delegates to the Wales TUC to-day.

The emergency motion, expected to be moved by Mr. Alan Fisher, general secretary of the National Union of Public Employees and seconded by the National Union of Mineworkers, claims that by concentrating its main emphasis on restricting wages the Budget fails to meet trade union requirements on action to reduce unemployment, control prices and promote economic growth.

It declares opposition to the 3 per cent offer and states that "the continuing development of a mutually acceptable economic policy between the trade unions and the Government must be based on a specific commitment by the Government to implement policy contained in the Labour Party manifesto."

Millan hints at stronger powers for Scots Assembly

BY CHRIS BAUR, SCOTTISH CORRESPONDENT IN PERTH

MR. BRUCE MILLAN, in his first important speech since being appointed Secretary of State for Scotland, hinted strongly yesterday that the *Government was prepared to* strengthen considerably the powers it had proposed for a Scottish Assembly.

He combined this with a vigorous denunciation of the Scottish Nationalists' quest for independence—a course which, he said, would bring about a massive and rapid loss of employment in Scotland, followed by the most profound disillusionment and bitterness.

Addressing the final session of the Scottish TUC's annual congress in Perth, Mr. Millan said he was confident that, when the Government produced its revised devolution proposals later this year, the Scottish people would be "too sensible" to reject them in favour of separatism.

Veto role

He told delegates that the November White Paper on devolution was "not sacrosanct." Both the STUC and the Scottish Council of the Labour Party had now proposed similar amendments, notably for giving the Assembly complete control of the Scottish Development Agency and the Highlands Development Board and for redesigning the "veto" role of the *Secretary for Scotland in respect* of Assembly legislation.

The STUC's proposals on the Scottish Minister's functions and on the Assembly's industrial powers would "more than anything else" be examined by the Government. The STUC's contribution to the debate on devolution, particularly on the industrial level, had been tremendously significant.

"I certainly hope that in our final proposals we would produce something that you in the STUC will find meets the kind of situation you have in mind."

Mr. Millan, rounding on the Nationalists, said that Scottish trade unionists had not been made sufficiently aware of the dangers of separatism. He predicted that Scotland would quickly lose an estimated 25,000 of the 55,000 jobs recently created by North Sea oil developments, because of the reduced exploitation rates on which SNP oil policy was founded.

In other industries—the manufacture of aero engines, shipbuilding, steel, and motor vehicle assembly—any attempt to ditch the U.K. connection and solve current problems in a purely Scottish context would be "*utterly disastrous.*"

These sectors of Scottish industry were the most closely integrated with the rest of the U.K. and would be most vulnerable to the creation of a separate Scotland. "There would be no particular interest in England in keeping the Scottish end of these industries going," he said. In addition, the transfer of thousands of Civil Service jobs from Whitehall to Glasgow would be called off.

Too sensible

It was inevitable that there would be an absolutely massive loss of jobs over quite a short period. The initial impact would be severe and rapid. An independent Scottish Government—even the best one possible, backed with substantial oil revenues—would quickly lose conrol, producing the most profound disillusionment and bitterness in Scotland.

"But, of course, it is an hypothesis. It will not happen. The Scottish people are far too sensible," he said.

Mortgage cut stays

THE RISE in minimum lending rate is not expected to lead to higher building society mortgage rates.

The Building Societies Association said yesterday that the cut in rates agreed only a fortnight ago would not be reversed. The mortgage rate cut from 11 to 10½ per cent., due to take effect next month, *followed the earlier downtrend* in U.K. interest rates.

The societies feel that they are still highly competitive with other outlets for funds.

The movement lent a record £497m. last month and this was supported by a net inflow of funds totalling £376m.

After the ½ per cent. reduction, the societies will offer 6½ per cent. tax-paid to depositors. This is equivalent to 10 per cent. gross to standard rate taxpayers.

The big clearing banks are paying 5½ per cent. gross on seven-day branch deposits.

U.S. assembly plant for VW

BY NICHOLAS COLCHESTER BONN, April 23.

AFTER MORE than three years of public discussion, Volkswagen of West Germany to-day decided to set up a car assembly plant in the U.S. With this investment, VW will attempt to re-establish itself in a market which was once the mainspring of the company's wealth but which slipped away over the last five years as the Deutschemark and German production costs rose.

After the VW supervisory Board had voted unanimously in favour of the move, the company's chairman, Herr Toni Schmuecker, announced to-day that VW would spend some DM500m. (£110m.) in converting an existing plant to build 800 Golfs a day.

The company has not decided where the plant will be, but a Government-owned plant at Cleveland, Ohio, formerly used for military production, has emerged as clear favourite.

The converted plant will start producing the German small car—called the Rabbit in the U.S.—in the second half of 1977. Initially 2,000 workers will be employed, rising later to 5,500.

Motors, transmissions, some suspension components and easily transportable parts will be shipped in from West Germany. The bodywork and a large proportion of purchased components will be obtained in the American market.

Herr Schmuecker said that Volkswagen's initial aim will be to stabilise its dwindling share in the U.S. market and then, to build up to between four and five per cent. In the first quarter of this year, VW was able to sell only 52,000 cars in the U.S.—no less than 40 per cent. fewer than in the equivalent period of 1975.

Five years ago, Volkswagen was selling more than 500,000 cars a year in the U.S. The logic behind the decision has been clear for some time and the same arguments persuaded Volvo of Sweden three years ago to set up its assembly plant in America.

The repercussions for the German workforce of VW were difficult to face and the decision was further complicated by the financial crisis which VW suffered in 1974. By the beginning of this year, it had become clear to both management and labour that the alternative to an American plant was to surrender the U.S. market altogether.

The company stressed that the decision would secure rather than threaten Volkswagen jobs in West Germany. Herr Schmuecker said there would be no reduction of the German workforce, not even at Emden on the North sea coast where 6,000 workers build cars for the U.S. This plant would be converted at a cost of DM40m. to build other VW products.

...E CHANGES YESTERDAY

(... unless otherwise ...ated)

...1921	+	1
...102	+	5
...102	+	6
...455	+	25
...118	+	26
...33	+	6
...195	+	15
...186	+	14
...250	+	30
...£98½	−	1
...294	−	8
...350	−	10
...98	−	7
...142	−	6
...134	−	5
...386	−	5
...82	−	5

Costain (R.)	229	− 6
Courtaulds	147	− 4
Debenhams	87	− 4
Fisons	379	− 8
GEC	156	− 4
GUS "A"	200	− 5
Johnson Firth Brown	58	− 3
Johnson Matthey	375	− 7
Kleeman Industrial	185	− 9
Lake and Elliot	65	− 5
McBride (Robt.)	138	− 7
Nat. Westminster Bk.	234	− 9
Notts. Manufacturing	72	− 7
Pegler-Hattersley	170	− 5
Redland	99	− 5
Royal Ins.	316	− 6
Sainsbury (J.)	111	− 6
Silhouette "A"	30	− 4
Taylor Woodrow	276	− 5
Thorn Elect.	238	− 10
UDT	23	− 3
Unilever	452	− 6
Charter Cons.	156	− 8

£ in New York

—	April 23	Previous
Spot	$1.8060-8080	$1.8270-8280
1 month	1.08-1.03 dis	1.05-0.95 dis
3 months	2.88-2.83 dis	2.85-2.75 dis
12 months	8.65-8.55 dis	8.60-8.30 dis

ON OTHER PAGES

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The week in London and New York

Sentiment takes a dive

ONLOOKER

Still suffering from Thursday's confusion the 30-share index was 6.9 points lower at 398.3 by 11 am yesterday, against the new 1975 peak of 419.6 touched just two days earlier. But after the lunch time confirmation of a 1½ per cent. rise in MLR — via the weekly Treasury Bill tender — both gilts and equities began to look a little less unsettled. Over the four days the 30-Share is 8.0 points lower at 401.0, while our gilts index has experienced one *of its sharpest ever declines* with a drop of 4 per cent. in just three days.

Thus market sentiment having taken a quite sudden turn for the better in the run up to the Easter holiday has now taken an even more dramatic turn for the worse; once again the blame lies with sterling. The pound came under substantial pressure on Thursday morning, and by early that afternoon the Bank of England had taken the *unusual step of publicly* announcing that it would be pushing up MLR. This sudden reversal of interest rate policy by the authorities caught, the *gilt totally off balance*, especially at the short end. Sterling closed 3 cents lower on the week at $1.8230.

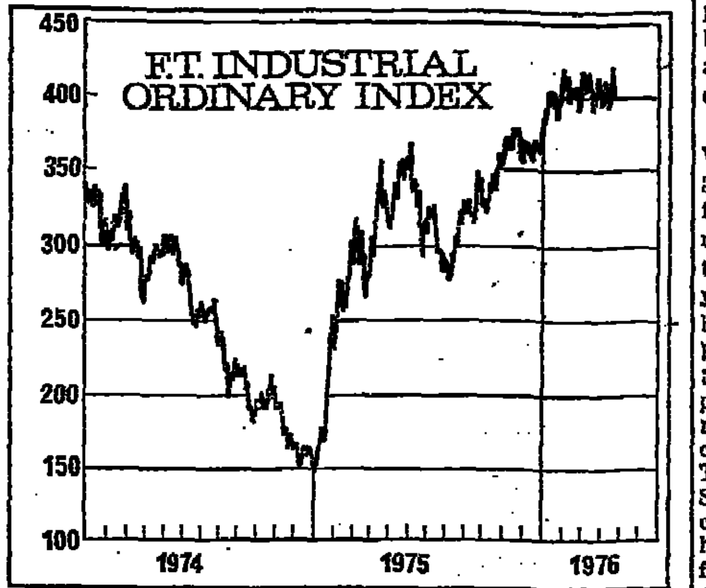
Against this background of currency upheaval, gold mine shares have been in demand. *With no help at all from the* bullion price, our gold mines index has risen a full 24 per cent. since its April low with two-thirds this gain *happening in the last four days.*

Vickers' buoyancy

Vickers has been one of the leaders in the strong relative showing from the engineering sector this year—and this performance was fully explained on Thursday with the announcement of 1975 profits £8.3m. up at £34.2m.. This was several million pounds better than expected with a large advance coming in particular from the various engineering interests such as armaments and bottling. The main interest now is, of course, in the impact of the proposed nationalisation of the group's *major shipbuilding* and aerospace interests: their contribution to overall profits is much lower than it was, though it is still over a half of the pre-*tax total. Moreover, these two* companies appear to earn a higher return on capital employed than the group average.

But any doubts about where the profits momentum might come from in future have been partly allayed by the recent growth of the interests outside aerospace and shipbuilding. These companies have increased their profits from £11m. to £20m. (before their portion of group interest costs of £6.9m.) during the last two years and their prospects for 1976 are generally good (with the exception of heavy engineering). *The group is hopeful of at last* obtaining a sizeable advance from its big investment in lithographic plates and office equipment.

Vickers still does not have any idea of when it will be receiving its nationalisation compensation and the resulting *uncertainty complicates* any investment assessment of the company: the p/e ratio is just over 5. The group should have plenty of financial muscle to exploit new opportunities: even after an increase of £25m. last year, debt is still only just over a third of shareholders' *funds of more than £150m.*



Retail spending

Provisional retail sales for March showed the index sliding downwards for the second month running to 106.5 having reached 109.8 in January. However, the January figure was boosted by the easing of HP restrictions in December and the seasonal post-Christmas "sales," so there is nothing sinister in the decline since then. *More relevant is the fact* that volume in the first quarter of 1976 is running some 2 per cent. higher than the previous six months. Thus it looks as if *the downward trend in consumer* spending apparent last year has at last bottomed out. But the retail industry is not expecting any sharp recovery, *for real earnings are still under* presure and the savings ratio remains relatively high.

As for the electrical retailers there was some distinctly *unsettling news on Tuesday* from Currys. The Budget's VAT reductions—worth a straight 10 per cent. off retail prices—might have been expected to boost sales in this sector but Currys reckons that the response to the lower prices has so far been minimal. Still, analysts are predicting a gentle rise in retail spending for April with the index likely to move up to around 108 according to at least two broker estimates. But the retail sector is likely to continue to underperform the market; there are some disappointing results in the pipe-line, notably from Marks and Spencer next Tuesday.

Commodities . . .

Unilever has risen nearly a *tenth this year, and its latest* accounts — which have allowed profit forecasts for 1976 to be revised upwards from growth of around a third pre-tax to perhaps as much as half — explain why. The group has provided shareholders with a guide to its earnings mix, and this confirms that commodity prices are still a major key to prospects. And in contrast to this week's expectations from Spillers and Cadbury-Schweppes — where wheat and cocoa prices are already in a clear uptrend — Unilever expects its key commodity costs to stay relatively stable through *the first part of 1976.*

Spillers' 1974-75 results were broadly in line with November's rights issue projections at £15½m. pre-tax, against a previous best — eight years ago — of £10.6m. The bulk of the upturn came from a £4m. reduction (before interest) in losses from baking with the rest spread across milling and groceries. But hopes for any *underlying profits growth this* year look slim. The bakers received a price rise this month but unless the Price Code revisions in July provide an *unexpected bonus for the industry* the outlook for earnings remains dull. For its part, Cadbury projects a "real increase" in profits for 1976 having made £38.6m., against £28.5m. and £34.1m. pretax in 1973. But once again the group's preliminary results pose far more questions than they answer; its accounts are due on May 10.

Cadbury's big stake in South Africa made the group a poor currency hedge *last year. But* the trend could be reversed in 1976, while at Unilever the currency arguments centre on the fifth of capital employed that the company *has in* the U.K.

TOP PERFORMING SECTORS IN FOUR WEEKS FROM MARCH 25

	% Change
Office Equipment	+6.5
Toys & Games	+5.9
Oils	+5.5
Engineering (Heavy)	+5.1
Banks	+4.5
Food Manufacturing	+4.3
All-Share Index	+1.6

THE WORST PERFORMERS

Contracting & Construction	−2.4
Machine & Other Tools	−3.4
Newspapers, Publishing	−3.7
Entertainment & Catering	−4.3
Hire Purchase	−5.3
Discount Houses	−5.4

. . . and Sterling

By the same token, *the major* export stocks continue to benefit from the weakness of sterling. Shares like Associated Portland Cement and Wedgwood have made useful *gains this week* while sectors like oils (see our monthly performance chart) and insurance brokers continue to perform defensively (taking some 80 per cent. of its brokerage from outside the U.K. Minet has risen a quarter this year).

There is, however, another, less favourable side to this particular coin, that is the considerable rise in the cost of imports And as yesterday's sudden upturn in MLR demonstrates the fall in the value of the pound has now reached a point where the authorities are seriously concerned at the *impact of the increased cost of* basic foods and metals on domestic rates of inflation. Every 1 per cent. drop in the sterling-dollar rate could add *0.25 per cent. to the retail price* index—this rose 0.5 per cent. in March, its smallest rise for 19 months—and sterling has fallen a tenth this year.

Some basic food companies are already experiencing the *need for extra working capital*, while this week Delta Metal underlined the cash demands of a rising copper price. Each additional £100 per tonne adds between *£4m. and £5m. to* Delta's working capital requirement, and the price of copper has already risen £280 this year.

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1976 High	1976 Low	
F.T. Ind. Ord. Index	*401.0*	*− 8.0*	*419.6*	*381.6*	*Late 2-day fall of 18.6 on weak £*
F.T. Gold Mines Index	174.0	+21.6	246.9	140.1	Bear closing
Treasury 9¾% 1981	*£92½*	*− 3¼*	*£95¾*	*£92*	*Ahead of 1½ per cent. rise in MLR*
Bibby (J.)	96	+ 6	103	74	Press comment
Brotherhood (Peter)	*96*	*+ 8*	*98*	*71*	*Record profits forecast*
Charter Cons.	156	+ 9	199	118	Favourable press comment
Cons. Gold Fields	*175*	*+15*	*220*	*146*	*Chartist buying*
Cons. Murchison	865	+95	880	580	Chairman's optimistic statement
Dunbee-Combex-Marx	*185*	*+22*	*186*	*134*	*Acquisition/"Rights" news/div. inc.*
First Finsbury Trust	33	+14	33	19	Bid from John D. Hutchison (U.K.)
Francis Industries	*26*	*+ 5*	*27*	*14*	*Unexpected second-half recovery*
Guthrie	198	+16	198	155	Revived demand
Heath (C. E.)	*355*	*+27*	*360*	*272*	*Speculative demand in thin market*
Le Bas (Edward)	60	+10	62	42	Sharply higher profits
MEPC	*64*	*− 7*	*98*	*62*	*Higher interest rate fears*
Minorco	215	+27	240	168	Rise in Copper price
Nat. Westminster	*234*	*−13*	*290*	*228*	*High interest rate fears*
Newarthill	61	+ 7	67	48	Good preliminary results
Ocean Wilsons	*122*	*+10*	*123*	*92*	*News of Inchcape's 15% stake*
Tokengate Inv.	52	+ 9	52½	38	Reconstruction proposals

U.K. INDICES

Averages week to—	April 23	April 15	April 9
FINANCIAL TIMES			
Govt. Secs.	62.21	62.34	61.87
Fixed Interest	61.77	61.99	61.81
Industl. Ord.	410.1	402.9	403.5
Gold Mines	167.7	154.2	149.2
Dealings mkd.	6,119	4,904	6,257
FT ACTUARIES			
Capital Gds.	157.54	154.67	156.58
Consumer (Durable)	139.03	137.24	139.03
Cons. (Non-Durable)	153.85	150.22	152.32
Ind. Group	*161.83*	*158.38*	*160.72*
500-Share	178.92	175.13	176.73
Financial Gp.	*139.13*	*135.53*	*136.35*
All-Share	168.55	164.68	166.05
20-year Govt.	*50.06*	*49.95*	*49.40*
Red. Debs.	50.04	49.60	49.50

Marking time

IF ONE TALKS to Wall Street brokers there are few signs of the sort of jubilation to be expected perhaps when a market breaks into new high ground against a background of good economic and financial news.

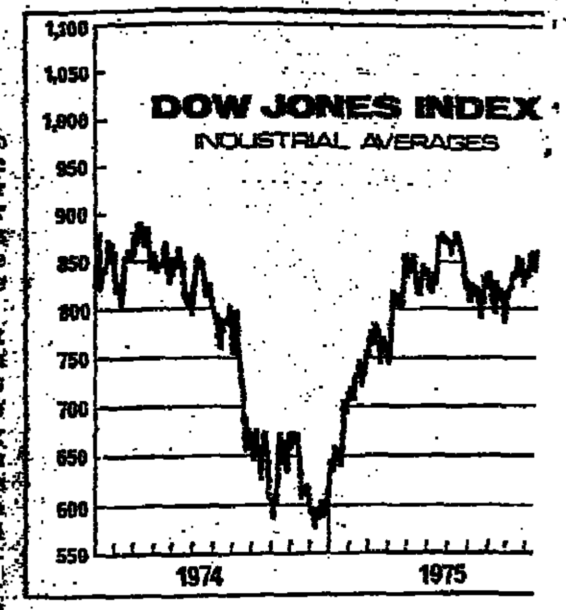
During the past couple of weeks there has been this background too. The trading results from some of the country's major multi-national corporations in the first quarter of the year have underlined what is happening to the economy. Reynolds Metals, for example, the company which owns 48 per cent. of British Aluminium reported earnings up 600 per cent., American Telephone and Telegraph was up 20 per cent., *Standard Oil of Indiana* 49 per cent. These are figures which have followed similar good news from the likes of IBM, Caterpillar Tractor, General Dynamics, Chrysler and Westinghouse Electric.

Better profits it is true were to be expected in comparison with the previous year's depressed levels but there has also been good news on the economic front. The economy grew faster in the first quarter—at 7.5 per cent.—and the first quarter's inflation was at an annual rate of 2.9 per cent., the lowest rate for over three years.

Talk to a few Wall Street brokers, however, and you quickly find that the good news is passing them by for the time being or at *least it is not making* them a lot less nervous. An indication of the nervousness came earlier in the week when a wild rumour of a new oil embargo ran through the market knocking share prices back.

As one broker put it the market is "churning sideways" and has been for *some time*. Arguments can be put forward that it should go higher and lower and with "1976 in the sack" the real question is what will happen in 1977. With 1976 an election year it is expected that President Ford *will try* and run the economy in a way which will help his chances but nobody is taking bets on what he might be forced to do in 1977, *especially since fears of* revived inflation are still strong.

The continuing uncertainties about whether businessmen will fuel the recovery with enough new investment remain and the businessmen themselves feel uncertain, and *feel* they are operating in a less benign social environment. As one economist on television the other night put it, with conscious irony, "*1976 could tu* year Americans good."



	C
Monday	99
Tuesday	100
Wednesday	101
Thursday	100
Friday	100

Mining A market on its meta

BY MALCOLM DUMPHREYS

THE PACE of the rise in base-metal prices has taken many market observers by surprise. *Since the beginning of this year* until Thursday, cash copper had jumped £282 to £862 a tonne, standard tin £720 to £3,852, lead £93 to £250, and zinc £94 to *£437: there was a shake-out in* prices yesterday but in late inter-office trading values recovered almost all of the earlier losses as sterling failed to respond to *the rise in the* Minimum Lending Rate.

The weakness of sterling remains the main factor behind the upsurge but over the past *few weeks the rises have been* given a little more "respectability" by increases in the U.S. producer quotations for both copper and lead while that for zinc is expected to be hoisted shortly.

Whether sterling will recover is something that this column is not qualified to discuss but until investors can see any real sign of the tide turning they will *seek a haven for their funds* and at the moment this means base metals, platinum and latterly, silver, with gold still out in the cold under the shadow of the *proposed sales of the metal* by the International Monetary Fund.

Where next?

Will investors in base metals now begin to feel that the commodity markets are due for a breather before setting out again on the upward road? The downturn in U.S. metal markets over the past two days suggests that this could be at hand. Any funds which are thus released by profit-taking would then be seeking a new home which could well be in the shares of base-metal producing companies.

This week has seen share prices making more response to the price gains made by commodities. These will have an added benefit for U.K. based companies because all overseas earnings when remitted to this country will convert into more pounds in line with the depreciation of sterling against the currency of the country from which the metal was extracted.

Rio Tinto-Zinc is a major beneficiary in this respect although its earnings from copper are more directly related to sterling because sales are based on London Metal Exchange prices. It is worth bearing in mind that copper provided well over half RTZ's net profits in 1974 when the metal price averaged £878 per tonne. Last year the metal averaged £550 and contributed less than 40 per cent. This year . . .

News has come this week that the RTZ group's Hamersley iron ore operation in the Pilbra region of Western Australia has negotiated increased prices from *the Japanese steel mills for ore* delivered under its No. 1 contract. This will result in an overall 20 per cent. rise in prices by the end of fiscal year 1976-77. *Hamersley has also announced* March quarter earnings of $4.3m (£2.9m.) compared with $6.1m. for the same period of 1975.

The head of RTZ's Australian operations, Mr. Rod Carnegie, chairman *of Conzinc Riotinto of* Australia, has said at the latter company's meeting in Melbourne that he expects overall profits to be in the region of those for 1975 with real improvement starting in 1977.

Faith in Cornwall

The rise in the tin price will have been warmly greeted by London-based Consolidated Gold Fields which runs the Wheal Jane tin mine in Cornwall. The *mine was brought to production* towards the end of 1971 but around last Christmas when the metal price was only £3,050 a tonne it was reckoned that the *operation was losing something* in the region of £100,000 a month.

Now comes news of a £4m. capital expenditure programme at the mine which, over the next three years, will include the *deepening of the present shaft* system, driving access tunnels to anticipated new orebodies and improvements to the concentrator. Without this development it is considered that known ore reserves are sufficient only to keep the mine going for a few years.

The programme will qualify for regional development grants of 20 per cent. and should the mine fail to generate sufficient funds the balance of up to £3.2m. will be provided equally by the Department of Industry and Gold Fields by way of loans which will be interest free during the period of construction.

Subsequently the DOI loan will either carry interest or be converted into a minority equity holding. In the nine months to March the mine has produced 816 tonnes of tin metal contained in concentrates com*pared with 1,015 tonnes for the* same period of 1974-75. The mine's production record can be followed in the accompanying monthly table of tin outputs.

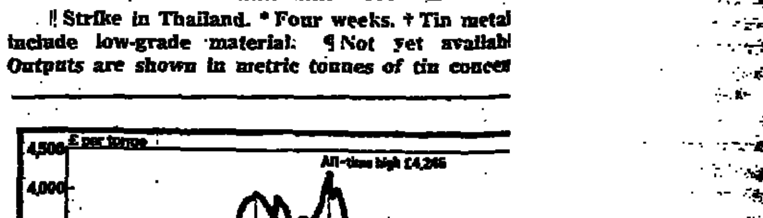
U.K. tin producers are not subject to the current export restriction imposed by the International Tin Council but other producers will be awaiting the outcome of a special ITC meeting that has been called for May 4.

This is almost certain to discuss the ex controls in t present high will also deci should be any "ceiling" pri Agreement wh dealing activit stock manage these two fac of advantage operating tin

TIN OUTPUTS COMPARED

	Mar. 1976 Tonnes	Feb. 1976 Tonnes	
Amal. of Nigeria (tin)	*201	*200	[illegible]
Amal. of Nigeria (columbite)	¶	¶	[illegible]
Aokam	6	[illegible]	[illegible]
Ayer Hitam	402	381	[illegible]
Berjuntai	310	315	[illegible]
Bisichi Jantar (tin)	¶	34½	
Bisichi Jantar (columbite)	¶	24	
Ex-Lands Nigeria	*41	41	[illegible]
Geevor‡	90	79	[illegible]
Gold and Base (tin)	¶	89	[illegible]
Gold and Base (columbite)	¶	1	
Gopeng	196	182	[illegible]
Hongkong	‡	‡	
Idris	29	27½	
Kaduna Syndicate	23	22	
Kamunting	50	48	[illegible]
Kent (FMS)	¶	32½	[illegible]
Killinghall	45	32	[illegible]
Kinta Kellas	¶	67½	[illegible]
Kuala Kampar	43	40	[illegible]
Lower Perak	22	25	[illegible]
Malayan	241	146	[illegible]
Pelang	173	137	[illegible]
Pengkalen	18½	16½	
Petaling	124	124	[illegible]
Rahman	68	65	[illegible]
St. Piran—Far East†	15	16	[illegible]
St. Piran—U.K. (South Crofty)†	135	134	[illegible]
Southern Kinta	95	91½	[illegible]
Southern Malayan	205	228	[illegible]
Sungei Besi	134	125	[illegible]
Sungei Way	53	52	[illegible]
Tanjong	27½	27½	
Tongkah Harbour	¶	‖	[illegible]
Tronoh	171	161	[illegible]
Utd. Tin of Nigeria (tin)	¶	2	
Wheal Jane†	103	121	[illegible]

‖ Strike in Thailand. * Four weeks. † Tin metal include low-grade material. ¶ Not yet availab *Outputs are shown in metric tonnes of tin concen*



TV/Radio

BBC 1

† Indicates programme in black and white

8.55 a.m. Ragtime. 9.10 Marine Boy (cartoon series). †9.35 Champion the Wonder Horse 10.00 Picture Making. 10.25 On the Move. †10.35 "Zorro." 11.00 The Little House on the Prairie. †11.45 Charlie Chaplin in "A Night in the Show." 12.15 p.m. Bugs Bunny. 12.27 Weather.

12.30 GRANDSTAND: Football Focus (12.35); Snooker (1.05, 2.35); Racing from Leicester (1.25, 1.50, 2.20); Boxing (1.35); Motocross (2.05, 3.15, 3.50); Rugby League Sevens (3.00, 3.30, 4.10); 4.40 Final Score.

5.05 Walt Disney's The Mouse Factory.

5.30 News.

5.40 Sport/Regional News.

5.45 Dad's Army.

6.15 Dixon of Dock Green.

7.05 The Black and White Minstrel Show.

7.50 "QB VII."

10.10 News.

10.20 Match of the Day.

11.20 Saturday Night at the Mill.

All Regions as BBC 1 except at *the following times:*—

Wales—9.35-10.00 a.m. Telifant. 12.05 p.m. News and Weather for Wales.

Scotland—3.00-3.40 p.m. Swimming. 3.40 Rejoin Grandstand BBC 1. 4.55-5.05 Scoreboard. 5.40-5.45 Scoreboard. 10.20-10.50 Sportscene. 10.50-11.20 The Songs of Scotland. 12.05 a.m. News Summary and Weather for Scotland.

Northern Ireland—3.00-3.55 p.m. Rugby: Ulster Senior Cup. 4.55-5.05 Scoreboard. 5.40-5.45 Northern Ireland News. 12.05 a.m. News Headlines and Weather for Northern Ireland.

BBC 2

7.40 a.m.-1.55 p.m. Open University.

3.00 p.m. The Saturday Western: "The Marauders" starring Dan Duryea.

6.05 Open Door.

6.45 Rugby Special.

7.35 News and Sport.

7.50 "Demolition Man" starring Jimmy Helms.

9.10 Arte Inglese Oggi: The Great British Art Show in Milan.

10.10 Robert Redford talks about America, politics, ecology and movies.

10.40 Second City Firsts.

11.10 Open Door.

11.50 News on 2.

†11.55 Midnight Movie: "The Silent Playground."

LONDON

9.00 a.m. Old House—New Home. 9.25 The Big-Booming Bicycle Show. 9.50 Return to the Planet of the Apes. 10.20 Fantastic Voyage. 10.45 Junior Police Five. 11.05 Run, Joe, Run! 11.35 Tandarra.

12.30 p.m. World of Sport: 12.35 *On the Ball; 1.00 International* Sports Special (part 1) Motor Cycling; 1.10 News from ITN; 1.20 The ITV Six—1.30, 2.00 and 2.30 from Thirsk; 1.45, 2.15 and 2.55 from Sandown; 3.10 International Sports Special (part 2) Sunday People Pub Sports Quiz Grand Final; 3.50 Half-time Round-up; 4.00 Wrestling; 4.50 Results Service.

5.05 News from ITN..

5.15 The Woody Woodpecker Show.

5.45 Meet Peters and Lee.

6.15 Island of Adventure.

7.15 New Faces.

8.15 Thriller.

9.30 The Best of Upstairs, Downstairs.

10.30 News from ITN.

10.45 "Reflections in a Golden Eye" starring Marlon Brando and Elizabeth Taylor.

12.45 a.m. Through the Eyes of a Child.

All ITV Regions as London except at the following times:

Uv :4ORPUse

ANGLIA

9.50 a.m. Wake Up To Yoga. 10.15 Hammy Hamster's Adventures on the Riverbank. 10.30 Manfred. 10.45 Big Blue Marble. 11.10 Clapperboard. 11.35 Born Free. 5.15 p.m. Daniel Boone. 6.15 New Faces 7.15 Meet Peters and Lee. 7.45 *A Little Bit Of Wisdom.* 10.45 *Discovery.* 11.15 Russell Harty. 12.00 At The End Of The Day.

ATV MIDLANDS

9.15 a.m. Old House—New Home. 9.40 The Big—Booming Bicycle Show. 10.10 Tiswas live from Studio 3 in ATV Land. 5.15 p.m. Saturday Adventure Film: "The Pirates of Blood River" starring Christopher Lee and Oliver Reed. 6.45 Sale of the Century. 7.15 Six Million Dollar Man. 8.15 New Faces. 9.15 Thriller. 10.45 Discovery. 11.15 Shaft.

BORDER

9.30 a.m. Old House—New Home. 10.00 The Big—Booming Bicycle Show. 10.30 Manfred. 10.40 Big Blue Marble. 11.05 Cup Glory. †5.15 p.m. Border Sports Results. 5.20 Space 1999. 6.15 New Faces. [illegible]

CHANNEL

[illegible]

GRAMPIAN

[illegible]

GRANADA

[illegible]

HTV

[illegible]

SCOTTISH

[illegible]

SOUTHERN

[illegible]

TYNE TEES

[illegible]

ULSTER

[illegible]

WESTWARD

[illegible]

YORKSHIRE

[illegible]

RADIO 1

[illegible]

RADIO 2

[illegible]

RADIO 3

[illegible]

RADIO 4

[illegible]

BBC Radio London

[illegible]

London Broadcasting

[illegible]

Capital Radio

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CHESS

[illegible]

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...TOPHER HILL

...ECOME something ...ally in recent years ...s of criticism, the ...ust sector has been ...articular attention ...t few weeks. The ...is is that despite a ... rise in estimated ...lues since the be... ...e year—roughly in ...e rise in the F.T. ...e sector has under... ...he Index by about ... and the average ... widened to around ... This comes at a ...iven the rise in the ... it would norm... ...ected that invest... ...would be in favour. ...main attractions is ...rcentage of over... ...s in many of the ... But the pattern ... changing and one ...wondering whether ...n grace of invest... ... is a temporary ...ether a more fun... ...rating is taking ...

...certain is that a ...e complaints about ...trusts have been ... long time and are ...lt to quantify or ... even to justify. ... are widely held ...e management of ...rusts is frequently ... and slow to take ...r even note of ... the investment ... has also been ...dissatisfaction with ...trust performance ... few years — par... ...propensity to mis... ...n currency loans.

... reasons do not ... the sector should ...t to underperform ...d one of the par... ...ns now being put ...at many insurance ... one of the main ... the sector — have ...ing their holdings. ...e because of the ...regulations on in... ...mpany solvency ...ich influence com... ...k more closely at ... it also seems to ...more fundamental ... attitudes. Many ...ompanies are now ...to handling their ... investment where... ...d to leave it to investment trusts. Currently there is also the counter attractions of gilt-edged stocks which compare favourably on a yield basis. Investment trusts are low-yielding on average despite their freedom from dividend restraint.

Of course the counter argument by the investment trusts is that, since they are heavy in overseas investments, it is scarcely possible to provide an above average yield—and that this has never been their aim. But it is still true that recent experiments in scaling down yields in favour of capital growth have not been ecstatically received by the institutions, who have also tended to be nervous about the dollar premium content in investment trust asset values. While denying that he was a heavy seller of investment trusts, the investment manager of a large Scottish insurance company did remark that the dollar premium was the "trusts' biggest asset" and that he did not find this altogether satisfactory. It may also not be pure coincidence that the rot seemed to set into investment trusts during the last wobble in the premium.

But one of the most important reasons for the decline in the investment trust sector (not just this year but over a period of years) is the relative lack of interest by the general public. The Association of Investment Trusts claims that 88 per cent. of investment trust holdings may be identified as personal and these amount to 40 per cent. of the value of the sector. But the institutions have become relatively more important as dealers in investment trust shares, and the notable cause of the current over-supply of investment trust shares has been the conspicuous absence of small buyers. It looks as if the accountants, solicitors and brokers who used to place their clients in investment trust shares have finally been won over to unit trusts and the various species of bonds. In addition, the capital gains tax concessions on investment trusts (which apply equally to unit trusts) seem to have worked to the trusts' disadvantage for brokers talk of a continuous dribble of small selling last year by people who wanted the 15 per cent. tax credit.

Naturally the investment trusts wail that as close-end funds they cannot like the unit trust go out and actively market their wares. But there does seem to have been too little attention paid to communications over the years, with the result that investment trusts have had less appeal to the private individual and have been left to the mercy of the institutions. Once the latter start to treat investment trusts as trading counters rather than long-term holds, higher volatility is bound to result.

Interest patterns

THE AVERAGE investor who has tried to follow recent movements in the pattern of interest rates must be feeling dizzy from watching the gyrations. These changes in rates have been both violent and jerky and have never moved in one direction for any appreciable time. This week has seen a violent movement in an upward direction with Minimum Lending Rate being increased following several cuts. So now is perhaps an opportune time to consider what returns are available to the investor from the various fixed-interest media.

Building Society rates are being cut by one-half a percentage point, but such a move was inevitable once mortgage rates were reduced. However investment in building societies still looks a good bet compared with clearing bank deposits where the rates are linked to MLR, providing a return almost double for the standard rate payer. Building society investment has the added advantage of providing stability in yield—the rates are reviewed fairly infrequently and are influenced by different factors than are bank deposits.

The National Savings movement also provides stability in yield, the new Jubilee Bonds referred to in this column recently representing the first cut in rates for several years. But the accompanying table of rates indicates very clearly that investors should keep the amount of cash in a clearing bank deposit account to a minimum.

The yield table also highlights the fact that for nil rate taxpayers, better returns can be obtained than putting money in a building society. The same care should be given by investors in selecting where to keep their liquid assets as is given to selecting equities or unit trusts. Investors looking for income might find the yields on undated gilts very attractive.

The market is at present very uncertain as to which way interest rates will go over the next few months. The dual pressures of sterling weakness and falling inflation rates are pulling in opposite directions. The larger investor who is still interested in the gilt market would be advised to adopt a prudent course by keeping his investments short.

ERIC SHORT

Current yields at varying rates of tax

Investment	Tax Rate Nil %	35% %	50% %
National Savings Certs. cashed-in after 1 year	6.0	6.0	6.0
cashed-in after 4 years	7.6	7.6	7.6
Jubilee Bonds cashed-in after 5 years	9.1	6.2	5.0
Building Society deposits	6.25	6.25	4.7
shares	6.5	6.5	5.0
Clearing banks deposits	5.5	3.6	2.8
1-year term	11.0	7.1	5.5
Local Authority loans 2-3 years	12.4	8.0	6.2
Treasury 11½% 1979	11.4	7.4	5.7
Treasury 2½%	14.6	9.5	7.3

Toy recovery

BY TOM KYTE

THE TOY industry finally appears to be emerging from the shadows of the collapse of Line Brothers in 1971. Since then the stock market has tended to tread very carefully when assessing toy shares, but the interest accorded to this week's acquisition news from Dunbee-Combex-Marx—the shares rose an eighth on the day—seems to confirm that the caution is beginning to ease.

This change in attitude seems justified by the prospects of the five major companies in this sector, Airfix, DCM, Lesney, Mettoy and Berwick Timpo. All have learned from the experience which wrecked Lines Brothers and have taken action to avoid these dangers themselves. It mainly consisted of widening both product ranges and geographical spread and in the case of the first four, this policy was aided by the acquisition of the Lines Brothers subsidiaries from the liquidator.

The expansion into overseas markets is the most important feature of growth prospects. Toys are easily exportable items and U.K. manufacturers have a world wide reputation for high quality, relatively low cost products. Moreover, the recent deterioration of the pound has made U.K. manufactured articles particularly attractive to overseas buyers. In 1974 U.K. toy exports represented around 38 per cent. of total manufacturers' sales and a recent report by brokers Grieveson Grant estimates that it is still around 37 per cent.

All five companies are active in the overseas markets. Lesney takes the lead with around 80 per cent. of total output going overseas; some way behind are Mettoy with 35 per cent., Berwick Timpo with 32 per cent. and Airfix with 28 per cent. Dunbee-Combex-Marx was the least active in overseas markets during 1975, with a quarter of output going abroad, but following the acquisition of the North American interests of Louis Marx of America this figure should be pushed up to around 60 per cent.

U.K. demand for toys is also becoming firmer. The 1975 Christmas was a good one for the trade with sales well up on those of the previous year. Low priced products such as Airfix's construction kits and the diecast toys of Lesney and Mettoy are still the most popular, both at home and overseas, but demand for the more expensive goods such as train sets, for which accessories can be purchased at pocket-money prices, is also growing. A major plus factor for producers of low priced toys, whether accessories or complete, is that these are not seasonal items, and they help to reduce the dependence on the Christmas period.

It is likely that DCM's proposed acquisition of a $13.2m. a year lossmaker has caused some investors to shiver. DCM's record for correcting problem companies is good however; in the space of three years it turned the Rovex operations (formerly part of Lines) round from heavy losses to profits of well over £1¾m. Moreover the group appears to be hoping for a near break-even position here in the current year.

Both Lesney and DCM have already announced profits for 1975 showing impressive growth — the respective pre-tax increases were 55 per cent. and 25 per cent. The remaining three companies also look set to produce higher profits and Grieveson Grant suggests 16 per cent. pre-tax growth for Berwick Timpo, 11 per cent. for Mettoy and a hefty 53 per cent. for Airfix, and if these estimates are on target there seems no reason why the strengthening of toy shares which started at the beginning of 1976 — the toys index is 25 per cent. up on the year—should not continue. The average yield for the sector at 5.9 per cent. is slightly ahead of the FT 500 share return.

Investment charges

WITH ALL the publicity over Barclays Bank's new charges on accounts this week, it escaped relatively unnoticed that earlier this month Barclays had also raised the scale of fees in its trustee company. This was in line with the other banks which had taken previous action.

But since the banks move roughly in line, it is interesting to take note of Barclays new charges which amount to fairly hefty increases. For the full investment management service, fees are up from 30p to 50p per cent., while for the "inhouse" management funds (which means the managers switch the investor around within the Barclays Unicorn trust group) the annual fee is now £40 per annum compared to £25. The latter service is mainly for portfolios under £40,000.

Where tax services are concerned there is no set tariff, but one may take it that there is a 50 per cent. increase in charges and much the same goes for the administration of wills and estates. Here the charge on the first £50,000 of an estate is 5 per cent., with reductions for higher amounts. And even coming down to the humble "Money Doctor"—which was introduced in 1973 as a cheap way of helping the small man sort out his affairs—the fee has risen from £35 to £75 a time. Apparently this is now used more by the higher end of the market (possibly other professionals) as a low-cost estate duty planning service rather than by the small man for whom it was originally designed.

Rowan service

Of course Barclays point to the higher cost of administration, the fact that many portfolios have been run at a loss for years, and that the Public Trustee has higher charges, even as a non-profit making body. But one cannot help feeling that the day of cheap personal investment management is on the way out everywhere and the day of the "managed" portfolio of unit trusts is on its way in.

This is certainly the impression one gets from stockbrokers Rowe and Pitman, Hurst Brown who are taking steps to rationalise their very sizeable private client list which amounts to over £250m. A tiered service is being set under Rowan Investment Management Service (kept separate from the stockbroking function), the most interesting part of which is the Unit Trust Advisory Service. This is basically designed for clients with under £30,000 and consists of purchasing for the client a selection of unit trusts rather than shares. There is no charge for this service apart from the commission the broker will collect from the unit trust. It is intended to "manage" the unit trust portfolios in a modest way but they would be unlikely to be as active as the share portfolios in the full management service.

CHRISTOPHER HILL

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...FE policyholders ... a long time while ... have been seeing ... salvaged from the ...of the company. ...ce will receive a ...rd next week when ...vidend payment of ...ound is being paid ...ny says that pay... ...l be sent out on ... This amount, ... the first payment ...ctober, will mean ... will have received ...eir money back— ...ound.

...nd holders will ...ing the balance of ...ent arising from a ... of the value placed ...nds. After this ...ent the company ...id out a total of ... questions will still ...nvestors as to what ...e kitty, when can ...ment be expected ...h will it be?

...ny is adopting a ...itude about pro... ...mation on these ... assets still to be ... mainly properties ... has been made in ... with quite a few ...ady being sold. The ... complex, which ... the company's ...ains unsold, except ...olk Hotel and one ...n the site.

...n of Nation Life's ... asset, the £1m. ... the International ... of Geneva, is that ...urts have approved ... repayment. The ...till awaiting a first ...under this scheme ...o get back about ...of the deposit. In ...uld appear to be... ...s for Nation Life ...to expect a third ...re the end of the ... company will not ...this.

... it looks as if the ...ity Life Assurance will be coming to a head soon and that policyholders will know one way or the other, what is going to happen to the company. A scheme has finally been agreed between the parent—Fidelity Corporation—and the Government-sponsored, Policyholders' Protection Board which would fully protect the policyholders.

Under this scheme the corporation would make £700,000 available immediately to the Board which would underwrite all the U.K. policyholders' benefits and would make a further sum of £800,000 available in 1981. Fidelity's life business would be operated as a closed fund, not accepting any further business, but paying out benefits on existing contracts when due and even meeting surrenders. Apparently there is no shortage of cash in the fund.

The main stumbling block to this scheme is the attitude of the trade creditors and the companies which reinsured Fidelity's risks. These are not covered by the Policyholders' Protection Act so that special arrangements have to be made with them. Reinsurers have been offered 70p in the pound payable in 1981 and other trade creditors 50p in the pound payable now. The matter is still under discussion.

The whole issue goes back to the High Court next month and if agreement is finalised on the scheme it is likely that the winding-up petition for Fidelity Life will be withdrawn and policyholders will start to receive benefits again. If the negotiations fall through, then winding-up would almost certainly follow and policyholders would be entitled to receive 90 per cent. of the value of their contracts under the Act at some time in the future. Investors must be patient for a few weeks more.

Finally, what has happened to London, Indemnity and General, the life company being rescued by certain members of the life assurance industry. It appears that the proposed reconstruction schemes have become bogged down in a legal morass, since so many classes of policy are involved. The temporary arrangements are still paying out 90 per cent. of claims as they arise, but otherwise policyholders can do nothing but wait — something they should be used to by now.

ERIC SHORT

Finance and the family

Development land tax

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Could you tell me the position under the new Land Act if I was now to (a) extend my house in excess of 10 per cent. of its existing floor area (b) build a house on a part of my garden of an acre. and later were to sell the house? It is correct that I might have to pay over the whole profit due to the extension?

The first appointed day under the Community Land Act 1975 is now to be August 1, 1976. However, the charges to tax which you envisage are to be imposed by a separate statute. Although envisaged in the White Paper and now in a Bill this has not yet been enacted. It seems likely that a charge of up to 80 per cent. on the profit beyond £10,000 will be exigeable if the statute follows the form forecast. Your points (a) and (b) would seem to come under this.

Permitted use and planning

On being vacated by the Air Training Corps we let accommodation for another leisure activity on the basis that this change of occupant did not constitute development within the meaning of the Act, but the Planning Authority disagrees on the general ground that permission is restricted to a specific use, and have turned down other alternatives we have put forward. What, please, do you advise?

We think that there is much force in the arguments put forward by the local Planning Authority. The permitted use is that which is subsumed under the actual planning consent, and use for "leisure activities" not connected with a Training Corps HQ could well not fall within the permitted or established use. You should obtain advice from a qualified surveyor specialising in planning matters: as it may well be that your best course is to apply for consent to a change of use to one that the Planning Authority cannot reasonably refuse.

Conditions in a will

My mother left me a half share in her house, the other half being left to my stepfather, with the right to occupy it so long as he kept it insured and in good repair, and did not remarry. Am I entitled as executor of my late mother's will, to know that these conditions are complied with, if so, what can I do about it?

You can properly seek the confirmation of your stepfather that he has complied with the conditions laid down in the will. If, however, he does not respond, you would have to make your own inquiry before commencing any proceedings to establish whether or not the conditions had been broken so as to determine your stepfather's right to remain in occupation.

A beneficiary's rights

I am one of the two main beneficiaries of an estate, but have only been given information by the trustee in an incomplete manner. For example, I have been told that some property has been sold to a relative, but not whether any other offers had been received. Can you advise as to my rights?

It is correct that you are entitled to see trust documents if you are a beneficiary. The normal course would be for annual accounts to be circulated, but NOT for correspondence to be copied and circulated. If you are unhappy about a specific transaction you should write to the trustee asking for a full explanation and account of the price realised and (in the case which you instance) information as to what valuation was made before sale. If in doubt you should consult a solicitor.

Tax and accrued interest

On January 13, 1975, my wife purchased some 5 per cent. Exchequer loan stock 1976-78 and was charged for 110 days gross "accrued interest." In making my subsequent tax return I deducted the amount in question from the "grossed-up" interest and dividends my wife and I had received, and, as a result, have got into a tangle with my Income Tax Inspector.

Could you please tell me if it is correct that the charge for accrued interest should have been treated, for tax purposes, as part of the purchase cost of the Loan Stock? Also, what is the position as regards the gross "accrued interest" (a slightly larger amount) paid to my wife when she sold the Loan Stock on January 30, 1976?

This point was dealt with in a reply published in the Business Problems column on December 3, under the heading "Tax on Savings Bonds dividends," and was as follows:

"Your misunderstanding results from the Stock Exchange practice of quoting the prices of short-dated British Government (and certain other) stocks on an unusual basis: as explained in the Daily Official List, the amount payable by the purchaser is the bargain price plus an amount equal to the gross interest accrued to the date for which the bargain was done (or, in the case of transactions done ex-interest, minus an amount equal to the gross interest accruing from the date for which the bargain was done to the interest payment date). The interest calculation is merely an element in determining the consideration money, and it does not affect the respective income tax liabilities of purchaser and seller."

It is surprising that your local tax office could not clarify the position for you.

You should have reported the whole of the half-year's interest which your wife received on March 26 last year, and similarly your next tax return should show simply the half-year's interest which she received on September 26.

Since the 5 per cent. Exchequer loan 1976-78 was held over a year, there will be no capital gains tax liability, of course (assuming that it was a simple isolated transaction).

Small Scale Conversion

Referring to your reply of January 24 under A Small Scale Conversion is it not a fact that any change of external elevation requires planning approval?

We think that the change of the door would not constitute an alteration in the exterior appearance of the dwelling for the purposes of planning requirements. Our answer was based on a determination of the Minister made in 1971.

A disputed valuation

Referring to your reply under a disputed valuation (March 6), what happens in my case, when the District Valuer is appealing against my response to his proposed value of my newly built bungalow, which has not been valued before?

If there was no previous entry for the property at all in the valuation list it would appear that you cannot be required to pay any rates prior to determination of the appeal. If however you do pay rates and the result of the appeal shows that you paid too much, you would be entitled to a refund.

Barbed wire fence

I would like to erect barbed wire along the inside bevelled edge of a 5 foot 6 inch fence which surrounds my house. Am I legally entitled to do this?

If the barbed wire is to run inside the line of the middle of your fence there would appear to be no special risk or liability attached to the course which you propose to adopt, unless the fence is one which is habitually climbed by children.

Loan to family company

My daughter, domiciled in the U.S., is prepared to make a loan to our private family company. Am I right in assuming (a) that the interest can be paid to her gross, (b) that it is not necessary to advise the Inland Revenue of this interest, (c) that a simple declaration that she is an overseas resident is sufficient to append to our Company accounts? Could you give me any further advice?

It will probably be possible to achieve the arrangements you have in mind, but various preliminary formalities must be complied with.

First you should discuss the proposed loan (which will presumably be of either U.S. dollars or external sterling) with the exchange control department of your company's bank. They will explain the Bank of England's requirements and will help you to obtain exchange control consent for (a) the money to be borrowed, (b) the interest to be paid and (c) the loan to be repaid eventually.

If the loan agreement is to be subject to the law of one of the United States, you will need detailed professional guidance beforehand, and the potential problems are too numerous to be dealt with here.

If the loan agreement is to be subject to English law, the position will be simpler, but you should of course check that the company's accountants do not foresee any problems from their background knowledge of the company's affairs. If your daughter is resident in the U.S., as well as domiciled there, she should be entitled to exemption from U.K. tax on the loan interest, under article 11 (2) of the double taxation convention between the U.K. which was signed on December 31. Although this new convention is to be amended before entering into force, it will doubtless in due course continue the similar tax exemption provided by article VII (2) of the 1945 convention, as amended by the 1966 protocol. Your daughter should write to the Inspector of Foreign Dividends, Lynwood Road, Thames Ditton, Surrey. KT7 0DP, asking for a form for claiming exemption from tax on interest, under the U.S.A./U.K. double tax convention. She should give her full name and residential address, details of any periods spent in the U.K. in recent years, a note of the U.K. tax office to which she submitted her last U.K. tax return (if any) and the reference number or other details to enable her papers to be traced, and the name and address of your company. Provided the application for tax exemption is submitted and approved in good time, the company secretary will receive formal authority from the Inspector or Foreign Dividends to pay the loan interest to your daughter without deduction of U.K. tax. The company's accountants will need to see this letter of authority. If the exemption authority has not been received by the time the first interest payment falls due, tax must be deducted at the basic rate (and paid over to the Revenue) and your daughter will have to submit a repayment claim to the Inspector of Foreign Dividends.

Careers

Turning away the gifted

IT IS now six years since an outraged director-general of the United Nations educational organisation in Paris suddenly ordered his staff to seize and destroy all copies of an official document. The reason for this ban—which led, of course, to immediate "leaks" to the Press—was that the document was heretical.

Written by Michael Huberman, a member of the UNESCO secretariat, it attacked the belief to which UNESCO was committed that increases in the quantity of education were the key to social and economic equality for people throughout the world. The only outstanding result of such increases, he said, had been to divert into formal education huge sums of money needed for other purposes.

In the years since Mr. Huberman committed his heresy, the great weight of evidence about the workings of educational systems has indicated that he was right. In this country, for example, it has become very apparent that if a child is to have the academic success which is more than ever necessary for entry to a good job, then its best chance by far is to be born to better-off parents who themselves are graduates, and to be of the stable introvert type of personality.

But failure to help the worse-off sections of society is not the only charge being strongly levelled against the increasingly egalitarian and expensive education systems of the Western world. They are now also being accused of hindering the development of the minority of outstandingly able children who, it is claimed, are naturally the best equipped to become the nation's future leaders.

This second concern has lately become widespread enough to lead to the setting up of an international network of societies to promote the case of the "gifted" child, which held their first world conference in London about six months ago.

These societies argue that, in the general urge to improve opportunity for the large numbers of poorly placed youngsters, educational policy-makers have simply left out of account the few extremely able children. The policy-makers' apparent attitude is that the gifted will inevitably educate themselves, even if submerged in a classroom full of relative dullards. But there is undeniable evidence that unless outstandingly able children are continually challenged by their schooling, they tend to lose interest in their lessons and either drop-out or devote their unusual powers to leading disruption.

This problem was thoroughly discussed at the societies' international conference by a variety of experts, and a reading of their lectures (published in book form last week*) suggests that its implications are worrying enough to demand that something be done to set matters to rights. But what?

It is true that some specific gifts can be identified easily and early enough for a child to be provided with an education which concentrates on developing its particular, outstanding talent. One example quoted at the conference was the four-year-old who, taken by his mother for his first professional haircut, heard the barber switch on the electric clippers and immediately said: "B flat, mummy." The boy was sent to the famous Yehudi Menuhin School for the musically talented.

We have, however, no similarly sure means of identifying and developing in our children gifts for the far larger, more mundane and vital range of activities involved in managing our economic and other workaday institutions for the benefit of society at large.

In saying this, I am fully aware that it will be hotly disputed by committed educational "traditionalists" who will read into the problem of the neglected gifted child a proven case for a return to the 11-plus test and the segregation of the 20 per cent. with the highest measured academic ability for an increasingly specialised, scholarly education leading by way of a university-type degree to recruitment and training for a leadership post in the working world. That process has been given a lengthy trial and, judged by the general performance of the leadership that it has selected and trained for us, it has surely failed.

Its prime fault lay not in the 11-plus test, which was a tolerably accurate means of identifying academic ability, but in the assumption that academic ability is the principal requirement for the successful performance of the great variety of responsible management jobs.

The message that this assumption is wrong has been well to the fore among the evidence from recent studies of the workings of formal education systems. One instance is the findings of the Engineering Industry Training Board and other practically minded bodies in the same field that the increasingly academically-based education being provided for this country's engineers is failing to provide the skills, including the ability to communicate with non-engineers, which are required for success in the bulk of engineering work. Another instance is the implications of some of the most advanced research concerned with the psychology of education.

This research—J. P. Guilford's work on the nature of human intelligence—was continually mentioned by expert speakers at the conference on gifted children. It indicates that, far from being a clear cut matter identifiable with an aptitude for academic study, human mental activity involves the exercise of at least 120 different skills. This, and the fact that in a lot of responsible jobs personality qualities such as responsiveness are at least as important as intellectual abilities, suggests that the number of children with potentially beneficial talents may be far greater than anyone suspects.

The conclusion seems plain. The academic criterion, which is undeniably associated with middle-class values, is a hopelessly primitive instrument for identifying and developing youngsters' gifts for the multifarious responsible jobs that need doing well in a more and more complex world. By applying it we are denying large numbers of these jobs to people who possess the appropriate talents, while appointing people who lack them. This process could help to account for much of this country's economic and social malaise, as well as for the evidence that our "egalitarian" education system is simultaneously failing to help the worse-off majority, and hindering the apparently most able minority.

That system is precisely the reverse of what anyone of sound mind and good heart would want. It surely follows that we now have an urgent need to freeze the mainstream of our educational development at the point which it has reached, and set the best minds available in all quarters—not just in the overwhelmingly academically-trained education profession—to work out an appropriately sensitive and complex definition of what "giftedness" really means. Until we develop such a blueprint for educational change every alteration we try seems most likely to make our system more expensively unproductive.

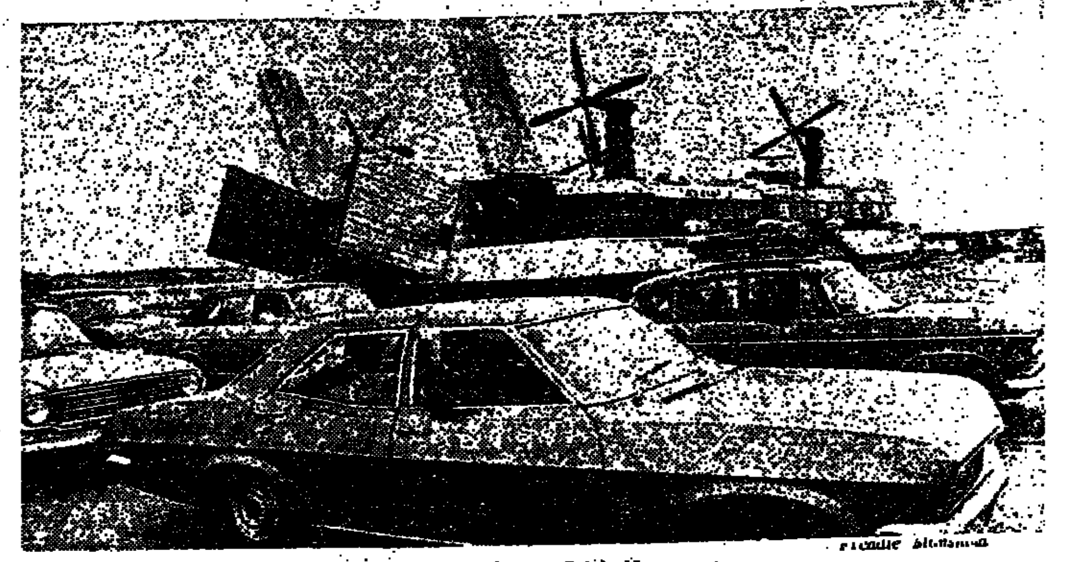
* *Gifted Children—Looking to their Future, edited by Joy Gibson and Prue Chennels. Latimer; £5.*

MICHAEL DIXON

Insurance

Common forms of behaviour

BY JOHN PHILIP



Cars disembarking at Calais Hoverport.

IF YOU are going abroad this year and taking your car one of the documents you will receive from your insurers will be the English edition of an internationally agreed motor accident report form—the European Accident Statement—which is a direct descendant of the French reporting document introduced some years ago, the "Constat Amiable."

For a couple of years now British motor insurers have been handing out these European Accident Statements principally as a public relations exercise to ensure that those motorists who have accidents abroad in countries where the use of EAS is well established know the content, nature and purpose of the document when the foreign motorist produces it after an accident.

The basic idea of the form (which, if it is used, has to be completed and signed by both the motorists involved in a two vehicle collision) is to get the two motorists to set down certain fundamental facts about the accident so that when their respective insurers come later to handle the claims, the areas of possible dispute have been narrowed if not entirely eliminated. The form is issued in a two part set, with a top copy and a carbon copy, so that once it is completed and signed, each motorist keeps one copy for his own and his insurer's use.

The form has two columns, one for each of the two vehicles involved and the questions relative to each vehicle are set out in a central column so that it is up to each motorist to answer the questions applicable to his vehicle. A number of traffic situations and manoeuvres are detailed so that each motorist can indicate what he was doing prior to and up to the moment of impact. The form has also space for individual comment and diagramatic indication of vehicle damage as well as for the recording of the motorists' identity, driving and insurance particulars.

But for the intrepid form filler, who has studied his EAS for a while before getting on the Cross-Channel ferry, the completion of the form even in the moment of anger (or of sorrow) after an accident, should not be a daunting prospect, though it takes time, particularly if there are language problems.

The completion of the EAS after an accident is not yet compulsory anywhere in Europe, though it is reckoned that some 80 per cent of traffic accidents in France are recorded on such forms; certainly the French police will lean on any motorist involved in an accident to use the form. This is an important fact of life for the British motorist, for most motorists go to Europe through French ports and some half of the traffic accidents in which British motorists are concerned on the continent occur within 50 miles of the Channel ports.

British insurers leave it to the individual motorist to decide whether or not to complete the EAS, but they make it clear that the use of the form does not amount to an admission of liability which will contravene the near standard British motor policy condition which usually provides "no admission shall be made or given by the policyholder without the written consent of the company."

Even if he completes the EAS on the spot, when he gets home the British motorist will most probably have to amplify the information recorded, by completing his own insurers' standard report form, for there is almost certain to be some extra information that they will require: complete standardisation of motor accident report forms and complete integration with the European Accident Statement is inevitably a long-way off.

On the Continent the majority of European motorists do not buy "comprehensive" motor insurance and consequently European motor insurers have to handle many more third party damage claims than do insurers here in Britain. The EAS in its original form was developed by French insurers as an aid to the speedier settlement of vehicle damage claims and the modern form has far greater importance for Continental insurers than for those in Britain.

This is because the majority of British motorists insure "comprehensively" and almost all insurers in this country apply the "knock for knock" agreement to collision damage claims to avoid detailed investigations of liability. In those cases where third party damage claims have to be handled these are normally dealt with expeditiously and with much less argument than is customary in Europe. For these reasons I must confess that I see little purpose in importing the EAS to Britain and trying to persuade British motorists either by exhortation or perhaps ultimately by policy conditions to bring the form into common use in this country.

However, one British insurer has not been prepared just to wait and see how the continental motorists and insurers develop the use of the EAS in the different motor insurance environment that exists across the Channel. For more than a year General Accident has been experimenting with the use of the form in the West Country: some 70,000 forms were distributed to policyholders living in Cornwall, Devon, Somerset and Dorset and they were asked (but not instructed) to use the forms in the event of accident.

By all accounts the response has not been large: whether GA's policyholders involved in accidents did not bother to use the forms or whether the motorists insured elsewhere with whom they had come into contact proved hostile to the experiment is not clear. But it seems that the forms have been used on some 10 per cent. of all the occasions on which they could have been employed: this must be a completely insufficient sample to determine what effect the use of the form has on claims handling costs.

So GA is now widening the scope of its inquiry and some 45,000 policyholders in and around Lincoln, York and Hull are being issued with a revised version of the form adapted to include supplementary claims questions. So some non-GA policyholders involved in accidents in these areas may now be asked, after collisions involving GA policyholders, to make their written contribution to the experiment.

If you happen to be one of these non-GA motorists it will be entirely up to you to decide whether or not to help: clearly if you do you will not be in breach of any of your own policy conditions, but equally clearly when you report the accident you will have to send your copy of the form to your own insurers.

Brewing

A new crack at cans

THE GLASS container industry is making a concerted effort to win back a reasonable share of the take-home beer market where nine out of every ten pints sold are currently carried away in cans.

All three of the major manufacturers have just presented to customers wide-mouthed beer bottles with rip-top closures which they insist have all the convenience of the can but are significantly cheaper.

One of them, Rockware, has even invented a dreadful new word to describe its bottle. It says it is a "drinkoutable." This is supposed to put over the idea that the wide-mouth bottle is easy to drink from. So indeed it is. Ironically, though, this aspect of the bottle's attractions will not be promoted very hard. It would present too much of a "down market" image.

The manufacturers feel it will take three or four years but the cost benefits involved—a 10 oz. bottle on the supermarket shelf could be up to 1p cheaper than a can holding the same quantity of liquid—and the weight of promotion they intend to put behind the concept will gradually swing the brewers' investment away from canning capacity back to bottling lines.

In this they come slap-bang into conflict with recent forecasts produced by the Brewers' Society Statistics Advisory Group. This body of beer market experts said that there will be a 126.5 per cent. increase in canned beer sales between the beginning of 1976 and 1985. Over the same period they expect beer sales in non-returnable bottles to show no growth at all.

The forecasts are dismissed as "absolute nonsense" by the glass container makers. They point to the pattern in the U.S. where the glass industry waged a four-year campaign which emphasised in particular the lower cost of bottles. At the end of the four years the balance in the U.S. take-home beverage market had been restored to a 50-50 situation, half bottles, half cans. The major problem for the bottle makers to crack is the big investment made in recent years by the U.K. brewers in setting up canning lines. This is at least £8m. for equipment alone.

The brewers push into canned beer started before the oil crisis significantly shifted the economics and produced a situation where the cost of an empty can is higher than that of a bottle and where the differential is more likely to widen in favour of the bottle than to go in the reverse direction.

The result has been that bottling equipment in use in the brewing industry is fairly old while canning lines are very up to date.

One attraction of the canning line for the brewers, bearing in mind that the take-home sector is the fastest-growing part of the beer market, is the speed of filling. Lines filling 1,000 cans a minute are commonplace. But the normal bottle lines are filling at only one-third of that speed.

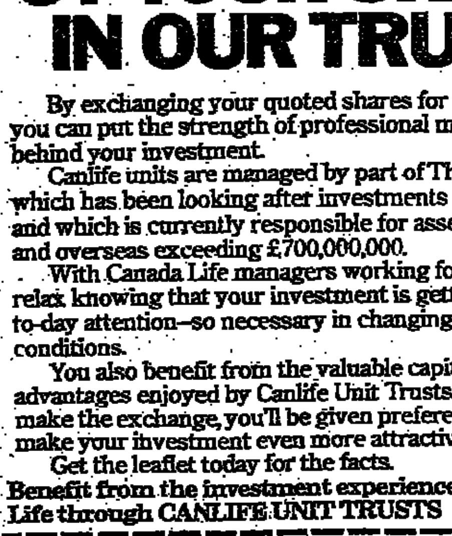
However, the bottle manufacturers are certain that speeds of up to 600 a minute could be achieved and say that in Japan Coca-Cola is being bottled at 1,000 a minute on a very special installation there. Obviously bottles are more easily damaged than are cans and that is why filling speeds have to be kept lower. The upshot is that the U.K. take-home market for beer has developed to the stage where more than 1bn. cans are sold each year against only about 150m. bottles.

The key problem the glass manufacturers have had to overcome with their wide-mouthed bottles was that of finding a closure (bottle top) which would cope with both the high pressure of the carbonated liquid inside and yet could be easily opened by the consumer. It also had to be easy to fit, as well as relatively inexpensive.

The fact that the three major U.K. bottle makers, United Glass, Rockware and Readfearn International, have all chosen different closures suggests that perhaps not all the problems have been solved completely. At the moment UG's closure division is making its bottle top based on German technology, Rockware is using an imported American top while Readfearn is using one from Sweden.

Once the U.K. brewers begin to show more interest in the wide-mouth "drinkoutable" and the sales volume builds up, no doubt all the problems will be solved, including the question about what type of rip-top the customers will prefer.

KENNETH GOODING



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...nerous five-seater. ...oors make getting ...easy and dignified ...hoice as the official ...ench Government ...d the boot is vast. ...ks, and is, a big ...et 6 inches overall ...es longer than a ...a: it is as wide as, ...hes shorter than, a ...performance it is almost a carbon copy of the BMW 2500. It even feels like a BMW to drive. The manual gearbox 604 gets from 0-60 m.p.h. in just under 10 seconds; the same as the BMW. It has a natural, if illegal, cruising gait of 95-100 m.p.h.—illegal, that is, unless you happen to be in West Germany.

The 604 is powered by a V6 engine of nearly 2.7 litres capacity used also in the Volvo 264 and the Renault 30. It pulls hard from low revolutions, spins smoothly up to high speeds. Quiet until it reaches 4,000 r.p.m. (say 60 m.p.h. in third gear), it whispers along the motorway at 70 m.p.h. Even at 100 m.p.h. there is more noise from the wind rushing past the screen-wiper blades than from the engine. It needs four-star and returns around 22 m.p.g., driven sensibly.

There is one word for the fully independent suspension—superb.

Excellent power steering—again, like the BMW 2500's—makes for effortless control and easy parking, aided by a good lock. The handling is so well balanced that within a few miles the 604 does not feel a large car any more. Despite its executive role, it can be hurried along winding minor roads most entertainingly.

Though basically good, the driving position is not ideal for tall people because the seat sinks as you push it back. The control layout is good, however, and the velour trimmed seats can truthfully be called luxurious. There is room on the rear bench for three.

Exterior finish is of high quality, but inside there are curious inconsistencies. All four doors have electrically operated windows; the seat belts retract neatly into the pillars; and the instruments have aircraft-type orange lighting—but the 604 is not in the Jaguar class. Peugeots are traditionally innocent of wood veneer, but the £5,000-class buyer is, I suspect, looking for something better than the 604's black plastic mouldings, which would not be out of place in a cheap Japanese family saloon.

But to sum up, the 604 is a distinguished addition to the ranks of large European cars and at £4,954, a bargain-priced alternative to rivals like the Mercedes 280, BMW 2500, Jaguar 3.4 or Volvo 264.

At the other end of the Peugeot range the 104 is a pleasant little car, rather spartan inside, with soft springing that provides a shock-absorbent ride over bad roads without inducing too much roll on corners. The steering needs more effort than one would expect of a small, light car on narrow tyres. Road-holding is good and handling of the kind that encourages you to weave in and out of traffic jams to the fury of drivers of larger, less wieldy cars.

Mechanically, it is rather buzzy, with an unfortunate boom at 60 m.p.h. that has, however, disappeared by 80 m.p.h., at which the 104 settles down to run like a sewing machine. The seats are nice and squashy and the boot is fairly spacious though you have to grub around on your haunces to put things inside it. Driven with an eye to economy, the 104 betters 40 m.p.g. But it really does need a fifth door. Then it would be a real family all-rounder; a latter day Renault 4 with more performance and refinement. It costs £1,754.

Golf

The end of an era

BY BEN WRIGHT

IN THE TORRENT of largely incredulous publicity that surrounded Ray Floyd's magnificent victory in the U.S. Masters tournament a sad fact was largely submerged by the superlatives, namely the disappointing performance of the great Arnold Palmer.

There have been few sadder moments in my recent memory than sitting in the tower above and behind the 15th green, set in its lovely natural amphitheatre at Augusta National Golf Club, and listening to the crescendo of sound being reached as the great man doffed his white visor to the crowd revealing almost white hair as thousands of spectators rose obediently to their feet as one. As ever, Palmer strode purposefully and jauntily around the pond, but for once the warm smile was a trifle wry. The most heroic figure in golfing history since Bobby Jones launched the Masters in 1934 was on his ignominious way to a second round of 81 and a total 155 that caused him to miss the 36 holes cut-off by five strokes. The end of an era that Palmer has graced since he first won in 1955 had come to an end.

As usual Palmer glanced furtively more than once at the television cameras to the left of the green at ground level and on our tower high above him. And having spotted that the red lights upon them were not illuminated—indicating that his antics were not being shown—his extravagant gestures of despair as he tentatively prodded and missed a short birdie putt were muted. In the good old days he would have rammed such a putt fearlessly to the back of the hole, confident that he could get in the next were he to miss. Boldness was always his friend.

Palmer's major role in popularising modern golf both as a spectator and television sport has been achieved even more by his sentimental appeal to millions of people of all nations than by the courage and bruising style that meant so little to so many of them. They shared the agony and the ecstacy.

It is intended as a compliment rather than the reverse to say that the homespun Pennsylvanian has always been shrewd enough to realise what his public has required of him, and remained humble enough to give it to them in large emotional and melodramatic doses. That is what that overworked word charisma is all about. Palmer has suffered fools gladly like few sporting gods, and I would gladly retire a millionaire to-day if I had a pound sterling for every autograph he has signed with a smile.

In all truth, Palmer, who will be 47 years old on September 10, has been off form for some time, is a little deaf, and his eyesight has also seen much better times. But although he would gladly retire from major competitive golf to-morrow, the treadmill of commercialism has him trapped. Time after time Palmer's name will start a tournament or championship on the leader board, put there by the local section of a huge worldwide fan club which doggedly refuse to face the inevitable. It is only removed when to keep it aloft would be too painfully humiliating even to the most blindly loyal, who still follow him in their tens of thousands.

Of course Palmer won the Spanish Open and the British PGA championship sponsored by Penfold in 1975, sweeping aside the best golfers outside America and the Far East. The splendid irony of that situation was that by doing so Palmer qualified to play for our Ryder Cup team instead of in fact acting the elder statesman as non-playing captain of the victorious American cup holders on his native heath. Had he wanted to turn the screw he could not have more cruelly emphasised the paucity of the talent and dedication of most of the British professionals of note. But these were hollow victories to a man desperate for a first major championship success since his fourth Masters triumph in—would you believe it? 1964.

In a sense those two wins, and a third place in the 1975 Hawaiian Open, represented the final desperate fling of a man finally realising that not even the intense desire and competitive drive that were his thrilling trademarks can prevent the erosion by time of the cutting edge. Palmer was tied with Gary Groh when he had two holes to play, and Groh only one in Hawaii. But the great man pulled his tee shot wide of the green at the par three 17th, and missed the putt from four feet as one felt he would with sickening inevitability.

Significantly at the 12th hole of the first-time winner Groh's first round of 68 he ran a 30-foot birdie putt seven feet past the hole, and missed the return. But worse, he was too casual with his third putt, a mere tap-in, and missed the ball completely. Ironically Palmer committed the same unforgivable golfing sin at Augusta, of all places in that horrific second round of 81 two weeks ago to take five at the par three 12th—not for nothing nick-named Amen Corner. One could have wagered good money that the Palmer of old would have hit back with a birdie at the par five 13th. Instead he hooked his drive into the creek, and hit his third shot back into the water in front of the green for an eight. If he was to fall from grace it was characteristic that he should fall really heavily.

Palmer won $59,017, that is American money for 36th place in the 1975 standings, exactly 36 places higher than his finish the previous year. It is a convincing indication of Palmer's colossal financial impact on the professional game that his winnings of $30,293 in 1974, his worst year financially since 1959, compared only slightly unfavourably with the $42,608 he earned in 1958, when he first won the Masters and topped the money winners' list for the first time.

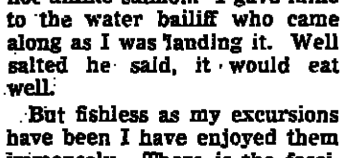
Palmer has been written off many times before, and always hit back to make mock of his critics. It is my fervent hope that he could do the same again, and I will gladly and promptly eat an overdose of humble pie. But I no longer believe it can happen. Next month Palmer will command an around-the-world flight in a Lear jet to try to break the existing record time. Good luck to him. But to announce his retirement from tournament golf before taking off from Denver, Colorado on May 17 might be a fitting accompaniment to any flying record he can manage.

Fishing

PREDICTABLY enough, I have not yet beached a salmon this season in spite of half a dozen outings to the Wye. The river has been by turns too high, too low and too coloured, and when conditions were, as they were last week for instance, almost ideal, only the occasional fish was showing. They were, according to an expert present, travelling. Most of the time the river has been too low for the fish to make the ascent in any numbers. Popular report has it that the Bristol Channel is swarming with salmon awaiting a flood to bring them surging up en masse.

Fish have been taken, particularly in the lower stretches, but on my particular beat the score has been three landed and three lost. A lost fish counts as a victory, for the fish has been deceived enough to seize the bait even if it has got rid of it afterwards. Even a tug or a pull, which might be the tentative approach of a fish, is a demonstration of the anglers skill. For want of anything more tangible it is often the only reward for a week's fishing.

The only pull I had was from a pike which I landed and despatched. The pike is a ruthless scavenger of rivers and lives on other fish. The French esteem it as a dish—it is called



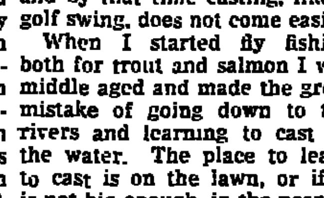
brochet over there—and tastes not unlike salmon. I gave mine to the water bailiff who came along as I was landing it. Well salted he said, it would eat well.

But fishless as my excursions have been I have enjoyed them immensely. There is the fascination of moving water which is the main element in the presentation of the minnow or fly to the fish. The Devon minnow is a wood or plastic torpedo with fins to make it spin, and a grapnel of hooks sticking out of its rear.

On dry land it looks very ordinary, but once drawn through the current it bobs and dances about like a live thing. Minnows are not the only baits; there is a whole armoury of ironmongery, designed to be used in spinning, which really means throwing the bait out across the current letting it swing round and winding it in again. Fly fishing for salmon follows the same principle. The fly is cast across the stream and the current does the rest.

Many salmon fishermen condemn spinning but in good conditions it catches more fish, and is more easily learnt than fly fishing. It is not allowed on many rivers unless water conditions are such that few fish can be caught. I prefer fly fishing myself, but from observation I would say that there is just as much skill in the presentation of a minnow as of a fly. A salmon fly, seen in the current, is very little different from a Devon Minnow or other lure.

It is really I think a question of fishing snobbery. Casting a fly with a salmon rod is more easily learnt young. But the opportunities for young men to learn the art are generally confined to those with fathers rich enough to own or hire beats on the best rivers, usually in Scotland. Ordinary mortals can learn to spin in any canal, but few of them can go salmon fishing until they have made at least a modest way in the world



and by that time casting, like a golf swing, does not come easily.

When I started fly fishing both for trout and salmon I was middle aged and made the great mistake of going down to the rivers and learning to cast on the water. The place to learn to cast is on the lawn, or if it is not big enough, in the nearest park or common. You may look silly doing this, but not half as silly as you would learning on the water.

When I took on my Wye beat, my landlord showed me the lies where the fish have traditionally rested on the journey up stream. These are often quite small lengths, a few yards only. Fishing either from the bank or a boat I search them with the bait or fly slowly and methodically.

By comparison with the great Scottish rivers, the Wye, although the best in England and Wales, is not in the same class except for a few beats. It is certainly overfished but, on the other hand, it is accessible and up till now reasonably priced. For the cost of a week's fishing on even a moderate Scottish river, it is possible to cast a minnow or fly once a week from the end of January until October, to see salmon and perhaps catch one.

Last month I stated wrongly that the River Camel was open from January 1. The Camel closes on December 15, but the Teign opens on December 1. So if I am right this time, there is salmon fishing all the year round in Britain.

JOHN CHERRINGTON

Arts

...mpets ...ms

...AEL COVENEY

...y indeed for the ...Playhouse to offer ...lish premiere of ...writing of The ...fficer in America's ...Year: for Brecht ...time of the action ...so that Captain ...s devious sergeant, ...d on Shrewsbury ...for Queen Anne's ...War of the Spanish ...but for King ...ated troops across ...where some imper... ...ials were taking ...their own hands.

...Brecht ransacked ...comedy pretty ...order to emphasise ...of military life and ...exploitation of ...these are hardly ...ched by Farquhar ...Sylvia becomes ...her disguise to test ...for her remains, in ...ct. The difference ...ain, stylistic and, ...English translation ...ivey exactly what ...p to in the German (the one used here is credited to Alan Brown and Kyra Dietz, although it sounds suspiciously like that of Rose and Martin Kastner) there is an overall sharpening and tightening up of the Restoration dialogue. This does not constitute an improvement; far from it, as one of the great strengths of *The Recruiting Officer* is its vernacular and idiomatic muscularity of ordinary speech. No, Brecht's version is just different, plainer and a little harder at the edges.

Malcolm Storry, Ted Richards, Matthew Scurfield and Celia Fox in 'Trumpets and Drums'

Plume's friend, Mr. Worthy, is here given the occupation of a boot manufacturer, a nice touch that allows him to fit more securely into the social mesh of the play (that is, in supplying the boots for the soldiers that Plume must find). And a totally new character, Lady Prude, appears in the final scenes to pressurise Judge Balance into statements of moralistic outrage at the general boozing and whoring going on around the town.

Richard Eyre's production does not, thankfully, aim to be po-faced or "serious" about all this. On the contrary, it is almost too relaxed for its own good. Plume, for instance, as played by John Price, never really establishes the fact that he is a commoner made good by an army career. Mr. Price is an actor who always strikes me as at his best when hurtling into deeper emotional waters than he encounters here; although he brings a fine and sudden truthfulness to his encounter in the prison with Victoria that brings back memories of his fine Orsino at Stratford two years ago, the rest of the performance is sadly lackadaisical. Nor should Plume necessarily be saddled with a studied poshness of voice.

Other performances are much brighter, especially those of Richard Kane as the moth-eaten braggard Brazen, Zoe Wanamaker as Victoria and Malcolm Storry as Kite. But even they allow too many very funny lines to slip by unattended.

The odd thing is that the spirit of the play that inspired Brecht to do his own treatment was transmitted far more memorably by William Gaskill's 1963 production of the Farquhar for the National Theatre. It's almost as if, at Nottingham, the paraphernalia that British productions consider *de rigeur* for Brecht—lavishly projected scene-captions, irritatingly sub-Weill music which is inevitably sung badly and the coy use of stage properties—obfuscates the intention of the re-write and creates an impression of archness not dissimilar to that which blights most run-of-the-mill productions of Restoration comedy.

...es this

...Equus. Timely ...eter Shaffer's fine ...Dexter's immacu... ...Theatre produc... ...Blakely plays the ...Gerry Sundquist ...Opened Tuesday.

...SE DOWNSTAIRS ...ghts. Attractive pre... ...the classic tales by ...pany called Shared ...but don't let that ...Opened Tuesday.

...S. Tufnell Park ...elfth Night. Every... ...and see this inter... ...almost the shape ...houses of Shake... ...time but much more ...The opening pro... ...ngly cast, with Eric ...ivolio, Lyn Farleigh ...onnie Stevens as ...d Wednesday.

...herd's Bush—Lady ...d. Three children ...their grandmother ...Was it worth it? ...esday.

...TT—Waiting for ...rather Warten auf ...'s performance in ...ckett's play by the ...tre of Berlin that ...ourt's season cele... ...author's 70th birth... ...Thursday.

Maria Magdalena

BY RONALD HOLLOWAY

One of the key plays of the 19th century was Friedrich Hebbel's *Maria Magdalena*: written in 1844, just four years before the Revolution that shook Europe, it was the first domestic tragedy of modern theatre. This season, as German theatre looks back over the classics for box-office nourishment, Hebbel's middle-class drama with a middle-class morality was inescapable as fodder for the gristmill. Fortunately too, a remarkable faithful production stands out among usual once-over-lightly "boulevardisation" of a classic. Frank-Patrick Steckel's *Maria Magdalena* in the Kammerspiele of the Frankfurt Schauspielhaus is quite serious middle-class drama.

It is striking because Steckel handles the tragedy of a simple carpenter-father in a straightforward, realistic manner without sentiment or call-to-alarm, entirely in Hebbel's original interests. The production, indeed, echoes the tense mood of the preceding century and, at the same time, mirrors the unsettling, nervous complacency of the present decade. It is a play of moving pessimism.

Hebbel stands between Schiller and Hauptmann as the immediate forerunner of realistic tragedy, a pioneer spirit whose powerful images pierced the issues and conflicts of the times. As Schiller was influenced by Kant's philosophy to postulate dramatic theses on freedom, Hebbel turned to Hegel's dialectics for guidance and deduced that life's great moments are dictated by the historical process. Master Anton's "I don't understand the world any more" is a closing lament that heralded the naturalistic fatalism of Hauptmann's *The Weavers*, and Ibsen's *Doll's House* owed its flash of lightning to this source a good quarter-century later. (Coincidentally, *The Weavers* is set in 1844 at the time of a Silesian uprising, perhaps as an indirect tribute to Hebbel's prophetic play.)

Steckel's approach to *Maria Magdalena* is to dignify an archaic text by cloaking it entirely in sombre, attentive tones. The tiny stage of the Kammerspiele appears at first to be the inside of a mausoleum, a vertical slit in the middle background serving as the only sources of light like a crack in a wall.

Anton's son, also a carpenter, works on a pine coffin eventually to be used for the "live" burial of the mother on the lip of the stage in a black earthen pit. When Anton (the central figure, not the adulterous but innocent daughter, Klara) speaks of the religious life with unbending rectitude, the son pounds and saws on the bier to illuminate the turmoil of the times. Colours in staging and costume serve as muted counterpoint to the domestic tragedy of an entire family destroyed in the clash between sexual freedom and narrow-minded moral conventions: the red binding of a bible and a rose symbolising martyrdom, matching with the faded purity of the mother's old wedding dress, a bouquet of white flowers, and a tree-stump chair in an otherwise bare room. We sense, in short, a faithfulness to the mid-19th-century "realistic movement" of allowing a story, in which truth resides in events themselves, "to tell itself."

Frankfurt theatre under Peter Palitzsch is justly known for its realism, and it has been especially successful with Ibsen, Strindberg, Gorki, and the modern realists over the past couple of seasons. A comparison between Steckel's *Maria Magdalena* and Ulrich Heising's Hamburg production of the same marks the difference between simplicity and pretense: the latter is star-bound and guilty of playing to the balcony whenever a big line appears on the horizon. Rolf Boysen's Anton uses, for example, "I don't understand the world any more" as the curtain-hanger—while in Frankfurt the final line goes unspoken: the set (Michel Peter, A. Christian Stelof) and costumes (Susanne Raschig) have already said it, and better, many times over in the course of the evening.

Hebbel, the Hegelian playwright, set his play in his own time at the crossroads of two epochs to mirror a common helplessness in the coming industrial age. For this reason *Maria Magdalena* has always renewed its importance in succeeding generations. Hansgünther Heyme in Cologne underscored its prophetic nature a few seasons back as he placed Hebbel's visionary, dialectic powers, particularly in *Die Nibelungen*, under a theatrical microscope. He has since turned to Goethe for much the same reasons, his *Urfaust* this season in a class by itself and the best Goethe since Gustaf Gründgens filled the Hamburg Schauspielhaus for his annual Easter production of *Faust*. Those were the days when classics were untarnished by the vagaries of the television stereotype.

Antimusic, algorithms and I Ching

BY ELIZABETH FORBES

The Language of Twentieth Century Music by Robert Fink and Robert Ricci. Collier Macmillan, £5.50. 125 pages

Do you know what the Fletcher-Munson curve is? Or the Keimzelle theory? Or the Monte Carlo method? Are you interested in antimusic, inaudible music or eye music? Are you aware of the significance of action painting, algorithm and *I Ching* in contemporary music? Has your hobby ever been concrete, electronic or computer music? If you answer no—yes—no—yes to these questions, then this Dictionary is a must for you. Even if your knowledge of 20th century music extends to no more than a modest acquaintanceship with Berg, Schoenberg or Webern, you will find it helpful, with lucid explanations of twelve-tone and other serial techniques. There is a comprehensive section on jazz terms, from barrelhouse to wah-wah, and many fascinating (if sometimes useless) items of information: for instance, by 1957 more than 75 million Americans were exposed to Muzak for at least part of every day.

Gearing their book mainly to the American musical scene, the authors pay adequate homage to the Viennese school and mention post-second-world-war experiments in Germany and Italy; but in the extensive bibliography, only a handful of British authors are quoted, among them Donald Mitchell, Rollo Myers and Humphrey Searle, while most of the musical illustrations come from the works of American composers. Under Dada one finds this graphic description of John Cage's *Theatre Piece*: "A man hangs upside down wrapped in a black plastic cocoon while a female cellist performs as she watches the composer place a cigar in and out of his mouth. At the same time, a tiny Japanese man waves a silken banner from atop a bamboo pole while oil drums are rolled down stairs . . . and electronic noises fill the air."

Scottish Opera's new season

Scottish Opera's 1976-77 season at Glasgow will run from October 6 to February 26. The repertory includes ten productions, five of them new or new to Glasgow. They are *La Boheme*; Thomas Wilson's *Confessions of a Justified Sinner*; *The Magic Flute*; *Don Pasquale*; *Macbeth*; *Die Meistersinger*, *The Merry Widow* (the Christmas attraction); *Fidelio*; *The Rape of Lucretia*; and *Jenufa*, a joint production with the Welsh National Opera. Scottish Ballet's *Nutcracker* will play over the Christmas season.

Travel

Another Japan

BY SYLVIE NICKELS

A FEW weeks ago, I was sitting in a Japan Air Lines Jumbo next to an Average Business Traveller who, according to a recent British Airways survey, is male, in his thirties, married, with a gross income exceeding £7,500 and probably in the electrical/electronic industries. My neighbour was in steel and I did not ask about his salary; otherwise he fitted, and it intrigued me that, though he spent two weeks annually in Japan, he had never been beyond Tokyo and appropriate industrial areas.

And yet my own eight-day visit had included some incredibly beautiful countryside, ranging from beaches and fishing villages backed by a coast of considerable grandeur, to high mountains among which famous Fuji was simply the highest and most distinctive of a very impressive lot. Nowhere had been further than 1-3½ hours' travelling time from Tokyo.

The beaches and fishing villages are on the Izu peninsula, a ruggedly mountainous spur of land pushing out into the Pacific about an hour by "Bullet" train south-west of Tokyo. Though it was February, and Tokyo's temperatures were near freezing, the plum blossom was almost over in Izu, and the orange trees heavy with fruit.

The peninsula has its own mountains rising to 4,500 feet but also offers a lot of fine views of Mt. Fuji to the north. It has spas with hot water springs like Atami and Ito. It has beach resorts that get progressively fewer summer crowds as you retreat further from the capital. And, near its southern tip, it has Shimoda, which is a very lively fishing port with excellent beaches nearby, and streets decorated with artificial blossom, giving the place a permanently festive air.

It was in Shimoda that Townsend Harris resided from 1856-57—that most diplomatic of American diplomats who subsequently negotiated the

Mt. Fuji

first-ever commercial treaty between Japan and the West, and thus broke her long isolation.

We stayed at Atami in a ryokan, one of those Japanese-style hotels recently described in this column and which are so very restful after a day's rushing about. Costs in these range from £12-£30 a day, including bath, dinner, full Japanese breakfast and individual maid service. The price drops if two or more share this usually spacious accommodation.

Just north of the Izu peninsula is the Hakone region, where there are a lot more spas and mountains, plus a network of lakes and a complexity of cable cars from which you can admire superb scenery without effort or combine them with some healthy exercise.

Hakone also has some more unexpected sights, such as the Open Air Museum where such works as "Reclining Figure" by Henry Moore, and "Balzac" by Rodin have a curious Western familiarity among the twirling hieroglyphics of the signposts. The latter do, admittedly, complicate the business of independent sightseeing in Japan and, personally, I hope they will use more of our alphabet in the future and less of our "pop" music, which pursues the visitor inexorably whether you are in a Tokyo taxi or on the slopes of a mountain resort!

Naeba, site of the 1975 FIS World Cup, is one of the latter which I visited while the ski season was in full swing. It is very well equipped, including a cable car and 25 ski lifts in a beautiful, beautiful setting, and very much in the western style. Echigo Yusawa, a half-hour's drive away and 2½-3 hours by rail north of Tokyo, may have less sophistication but looks and feels more Japanese. Both are good summer centres for walking, and Naeba has a heated swimming pool, 18-hole golf course, tennis courts and bicycle hire.

All-in packages from Tokyo to any of these areas are arranged by agencies such as Japan Travel Bureau or, of course, can be individually tailor-made. Costs in Japan can be high, particularly so if you cling to Western habits. For example, a cup of coffee may be anything from 25p to nearly £1, while Japanese green tea is often served free. A full Japanese meal—especially fish in considerable varieties, and vegetables of strange and innumerable types, all delightfully presented—averages £2-£4 if you avoid fashionable places, where it may be £5-£10 plus.

Imported drinks are highly priced but, in a shop, £2 buys you nearly 2 litres of sake, Japan's strongish rice wine. Taxi rides cost about the same as in London, but you can get a very cheap all-round view of Tokyo by taking the Yamanote "Loop" Line electric rail service which carves a great circle through the city.

As for Tokyo itself, apart from its hieroglyphics, it is much like any very large and modern city. Until you notice little groups of people rhythmically bowing greetings or farewells at each other on a street corner; or wander into the Kabuki theatre and try to fathom that ancient and artistic drama form: or mingle with the family outings at a temple, all taking innumerable photographs of each other with splendid cameras, and buying candy floss and painted bamboo dragons and sweet bean cookies from the stalls, or investing in 5p's worth of printed fortunes (mine was bursting with good omen): or visit Asia's biggest fish market, Tsukiji district, in the early hours, where the auctions are as entertaining as any play; or go shopping for cameras or cotton kimonos, basking in the courteous service and reasonable prices, or visit a family in their home, as you can through the non-commercial Home Visits Scheme.

I hope, on his next visit, my Average Business Traveller discovers some of these.

Your week-end £: Austria 32.70; Belgium 72.25; France 8.44; Italy 1,600; Greece 64; Spain 119.25; Switz. 4.57; U.S. 1.82. Source: Thomas Cook.

Further information: Japan National Tourist Organisation, 167 Regent Street, London W1. Tours to Japan ex-U.K. average £450-£600 for 12-17 days. Tour operators include: Speedbird Holidays, 57 Victoria Street, London SW1H 0HG; Thomas Cook, 45 Berkeley Street, London W1; Kuoni Houlders, Deepdene House, Dorking, Surrey RH5 4AY; Miki Travel Agency, 95 St. Paul's Churchyard, London EC4M 8DY. Special art treasure tours with guest lecturer, combining Japan and Korea, costing about £1,000 for 23 days, are featured by Swan Hellenic Tours, 2-16 George Street, Kings Court, London W1P 2EU.

Gardening

Little things mean a lot

BY A. G. L. HELLYER

I FOUND the visitors almost as fascinating as the plants at the Alpine Garden Society's spring show in London last week, which is saying a lot because this was one of the best shows the society has ever staged. But what was so interesting about the crowd, apart from its size, was the very wide spectrum of types which it included. Anyone who has thought of rock plant enthusiasts as being mainly middle-class semi-intellectuals, gardeners who rather fancy themselves as botanists and plant collectors, would have had a sharp awakening here. Every class and every mentality seemed to be represented, including some very knowledgeable young people.

This can only mean that the cultivation of alpine plants in pots (for that is what this show is all about) is providing a lot of people with just the hobby they require. When you come to think of it, it does fit in very well with the modern pattern of life. As gardens get smaller and people become more mobile, seldom seeming to stop in any one house for more than a few years, there is a lot to be said for plants that take up very little space and can be transported from one place to another with a minimum of fuss. It is even possible to grow alpines in pots on a balcony, and a terrace or patio is ideal provided it gets a reasonable amount of light.

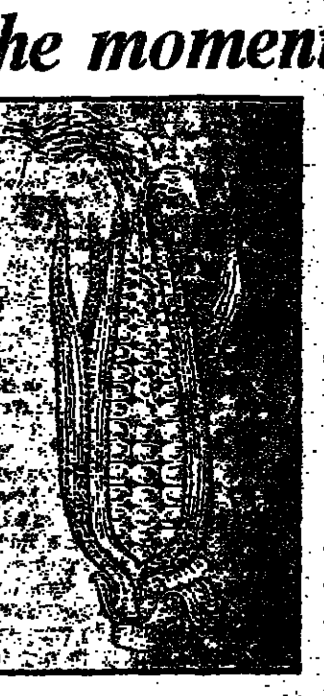
What makes the enthusiasts opt for pots rather than rock gardens is partly that it makes it so easy to give each plant precisely the soil and conditions it requires, partly that it makes it possible to enter competitions such as that in London last week. The plants can be brought without damage in the boot of a car.

Rock plants come from all parts of the world and despite the frequent use of the word "alpine" by no means all of them are mountain plants. Some come from rocky places near sea level and some are small woodlanders that just happen to fit well into the alpine plant regime. They include raging beauties like the gentians, off-beat plants like the fritillaries and temperamental prima donnas like Eritrichium nanum which nearly always sulks in captivity and either goes into a rapid decline or simply refuses to produce its exceptional sky blue flowers.

There were examples of all these types at the Alpine Garden Society's show and I cannot recollect having seen the fritillaries better represented. They nearly all have a slightly ominous look and it is not surprising that our native species, Fritillaria meleagris, is known as the snake's head fritillary. It grows wild in damp meadows, quite unlike most of the kinds at the show which seemed to be growing in the most spartan mixes of stone chippings with a little sand and peat. There was Fritillaria purdyi, spotted with grey on a white ground; F. bucharica, ice white and green; F. tuntasia and F. obliqua, both almost black; and just to show that not all fritillaries are sombre, F. recurva, speckled reddish salmon on yellow, quite a gay flower which attracted attention from a distance.

If you wanted to grow any of these it is most unlikely that you could find any plants in a nursery, not even the nursery of a rock plant specialist. I

Choosing the moment



IT IS NOT necessary to be very precise in choosing sowing times for most hardy vegetables, but it is quite different with half-hardies. Sow French or runner beans, marrows, outdoor cucumbers and tomatoes or sweet corn too early and the plants will get too big for convenience before it is safe to plant them outdoors; leave it too late and vital growing time will be lost.

Precisely what is the right time depends partly on the crop, partly on where you live. What determines planting-out time is a reasonable expectation of absence of frost, which for most parts of England means the first week in June, but in the extreme south-west can be a month earlier than that and at high altitudes or the coldest parts of Scotland could be a week or ten days later.

For most places it is already late to sow outdoors tomatoes which need to be well established in at least three-inch pots (no harm done if they are filling four-inch pots) by the time they go outside. Provided they suffer no checks, they will then be beginning to ripen fruits by mid-August with a further six to eight weeks of cropping time ahead of them.

French beans are a little hardier than runner beans and I shall be sowing mine in Sussex next week, but the runners will wait until the first week in May.

Ridge cucumbers and marrows will germinate in four or five days in ordinary room temperature and will continue to grow rapidly provided they are not checked. The best way to start them is in three-inch pots in peat seed compost, one seed per pot.

Then there is no need to disturb them until they are planted out and, as they are both very tender, I shall not sow until about May 13.

Sweet corn can be grown in exactly the same way, but does not germinate quite so fast and needs all the growing time it can get, so I sow during the first week in May.

If cloches of any kind are available, all these sowing dates can be advanced by at least ten days.

COMPANY NOTICES

BUCKLERSBURY FUND S.A.

Société Anonyme
Headoffice: Luxembourg, 37, rue Notre-Dame
Trade Register: Luxembourg B 8360

Notice of Meeting

Messrs. Shareholders are hereby convened to attend the Statutory General Meeting which is going to be held on May 12th, 1976 at 2.30 p.m. at the headoffice, with the following agenda:

Agenda

1. Submission of the reports of the Board of Directors and of the Statutory Auditor.
2. Approval of the financial statements for the year ended 31st, December 1975.
3. Ratification of the decisions taken at a Board of Directors Meeting held on July 23, 1975.
4. Approval of appropriations to legal reserve for the year ended December 31st, 1974 and December 31st, 1975.
5. Payment of a dividend.
6. Discharge of Directors and of the Statutory Auditors in respect of the carrying out of their duties for the year ended 31st December, 1975.
7. Receipt of and action on nomination for election of Directors and the Statutory Auditors for the fiscal year commencing 1st January, 1976.
8. Alteration of the Explanatory Memorandum to delete requirement that quarterly statements be issued.
9. Miscellaneous business as may properly come before the meeting.

Shareholders are advised that there is no quorum requirement in order for valid decisions to be taken.

Holders of bearer shares must deposit their share certificates with any bank or with Kredietbank S.A. Luxembourgeoise and inform the latter of this deposit.

The Board of Directors.

FLEMING JAPAN FUND S.A.

Société Anonyme
Headoffice: Luxembourg, 37, rue Notre-Dame
Trade Register: Luxembourg B 8392

Notice of Meeting

Messrs. Shareholders are hereby convened to attend the Statutory General Meeting which is going to be held on May 12th, 1976 at 3.00 p.m. at the headoffice, with the following agenda:

Agenda

1. Submission of the reports of the Board of Directors and of the Statutory Auditors.
2. Approval of the financial statements for the year ended December 31st, 1975.
3. Payment of a dividend.
4. Discharge of Directors and of the Statutory Auditors in respect of the carrying out of their duties for the year ended December 31st, 1975.
5. Receipt of and action on nomination for election of Directors and the Statutory Auditors for the fiscal year commencing January 1st, 1976.
6. Directors' remuneration.
7. Alteration of Explanatory Memorandum to delete requirement that quarterly statements are issued.
8. Miscellaneous business as may properly come before the meeting.

Shareholders are advised that there is no quorum requirement in order for valid decisions to be taken.

Holders of bearer shares must deposit their share certificates with any bank or with Kredietbank S.A. Luxembourgeoise and inform the latter of this deposit.

The Board of Directors.

117 GROUP FUND S.A.

Notice of Annual General Meeting

The Annual General Meeting of the Company will be held at 3 p.m. on Monday, 3rd May 1976, at 14 rue Aldringen, Luxembourg with the following Agenda:

1. To consider the reports of the Directors and the Statutory Auditor.
2. To approve the Consolidated Statement of Net Assets at 31st December 1975 and the Consolidated Statement of Operations for the year ended on that date.
3. To approve the payment of a final dividend in respect of the year 1975 on or after 5th May 1976 to Shareholders of record 3rd May 1976.
4. To approve a proposal that, with effect from 1st January 1976, reports to Shareholders should be issued as at 30th June and 31st December of each year rather than at quarterly intervals as has been the case in the past.
5. To give the Directors and the Statutory Auditor their discharge.
6. To elect Directors and the Statutory Auditor.
7. To transact any other business.

The shareholders are advised that no quorum is required for the statutory meeting and that decisions will be taken by the majority of those shareholders present or represented at the meeting subject to the restriction that no shareholder, either personally or by proxy, can cast votes in respect of more than one fifth of the Shares of the Company then in issue or two fifths of the shares present or represented at the meeting.

In order to take part at the statutory meeting of 3rd May 1976, the owners of bearer shares must deposit their shares five clear days before the meeting at the Registered Office of the Company, 14 rue Aldringen, Luxembourg, or with one of the following banks:

Banque Générale du Luxembourg, S.A.,
14 rue Aldringen,
Luxembourg.
Midland Bank Ltd.,
International Division,
Suffolk House,
5, Laurence Pountney Hill,
London, EC4 0EU,
England.

For and on behalf of 117 Group Fund S.A.
The Board of Directors.

Bridge

TWO PART-SCORE HANDS from recent rubbers seemed worthy of record—here is the first:

N.
♠ Q 6
♡ J 10
◇ 10 8 7 6 4
♣ J 9 4 2

W.	E.
♠ J 5 4 2	♠ A 9 8 7
♡ 3 2	♡ A 8 7 4
◇ J 3	◇ A Q
♣ K Q 10 6 3	♣ 8 7 5

S.
♠ K 10 3
♡ K Q 9 6 5
◇ K 9 5 2
♣ A

With North-South vulnerable, East dealt and bid one spade. I was South, and passed. I did not feel like risking a severe penalty by bidding two hearts. Indeed, if I do bid two hearts, West will raise the spades, North will pass, and the opponents will buy the contract.

As it was, West raised to two spades, and North and East passed. Now, though it was dangerous to make an immediate overcall of two hearts, I can with much less risk bid three hearts. The opponents' strength is limited by their acceptance of a part score, and, what is also important, they have found a fit. This makes a bad break in my suit less likely, so I bid three hearts. When this was passed round to East, she doubled, and this concluded the auction.

West led the spade two, and a rather disappointing dummy appeared. East took her spade Ace, and returned the club eight to my Ace. I led a trump to dummy's ten, East won, and continued with the club seven, which I had to ruff. I crossed to the table with a heart to the Knave, and led a low diamond. East took her Ace at once, and another club forced me to ruff with the trump Queen.

I thought that East had a 4-4-2-3 pattern, but another diamond would settle the question. I crossed to the spade Queen, led another diamond, and when East followed with the Queen, I knew all. I won with my King, cashed the trump King, and ran diamonds. East could win one trump trick, but my doubled contract was safe.

The second deal was not only instructive, but amusing:

N.
♠ A 10 8
♡ 10 7 2
◇ A K 9 7
♣ K 9 8

W.	E.
♠ 7 6 4	♠ 5 2
♡ A K	♡ Q 9 8 5 3
◇ Q 8 3	◇ J 10 6 2
♣ A Q J 10 6	♣ 4 2

S.
♠ K Q J 9 3
♡ J 6 4
◇ 5 4
♣ 7 5 3

Both sides were vulnerable, but North-South had 40 below, when West dealt and bid one club. North doubled, East bid one heart, and South said one spade. West rebid three clubs, and North's raise to three spades bought the contract.

West cashed two hearts, and then switched to the Ace of

Chess

LONDON'S FIRST telex chess match, played against Belgrade earlier this month at the St James Hotel, had a curious echo of the first telegraph match in 1845. On both occasions, the match had to stop after seven hours for technical reasons with the result still inconclusive. On both occasions, too, London looked set to at least draw the match.

Play in London v. Belgrade was slow because of the extended checks and notation switches necessary in both cities before a move arrived at the player from the telex machine and vice versa. But it was obvious, even from the truncated session that the London players were unimpressed by the parade of international titles in the Yugoslav team and were making a positive effort to win the match.

The top board game, where Belgrade fielded Matanovic, a grandmaster, and Raicevic, whose grandmaster title awaits ratification, set the mood. John Nunn, the 1975 European junior champion, turned down Matanovic's draw offer and made a bold sacrifice of rook for knight to take the initiative. In the final position, Nunn controlled the centre of the board and was about to drive the grandmaster's pieces back to base—but it may not be enough for a win on adjudication.

The play on the two junior boards confirmed that Britain has the best range of promising talent in Europe next to the Russians. Both David Goodman, the world under-18 champion, and Julian Hodgson outclassed their opponents although in men's chess the Yugoslavs rank second to the USSR.

Julian received a special Lloyds Bank award in recognition of his inclusion in a senior representative team at the age of 12, then went on to win the Lloyds Bank prize for the best game of the match. Ironically for his opponent, Julian's plan of campaign is known as the Yugoslav attack.

White: Julian Hodgson. Black: Dragan Paunovic. Opening: Sicilian Dragon (London v. Belgrade 1976).

The opening moves were 1 P-K4, P-QB4; 2 N-KB3, P-Q3; 3 P-Q4, PxP; 4 NxP, N-KB3; 5 N-QB3, P-KN3; 6 B-K3, B-N2; 7 P-B3, N-B3; 8 Q-Q2 0-0; 9 B-QB4, B-Q2; 10 0-0-0, Q-N1.

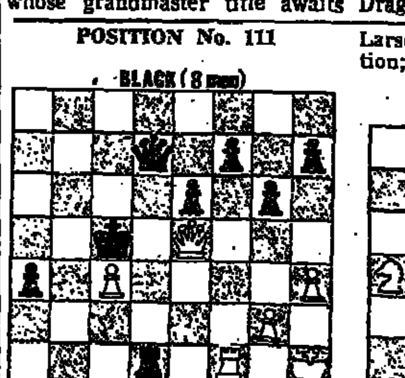
The same opening as in last week's game, but here Black masses all three major pieces in support of the queen's side pawns. The drawback, as this game shows, is that Black's own king is weakened.

11 P-KR4, R-B1; 12 B-N3, P-QR4; 13 P-R5! The new edition of David Levy's reference work "The Sicilian Dragon" only discusses 13 P-QR3 and 13 P-QR4, but this direct thrust against the black king is much stronger.

13 . . . NxN; 14 BxN, P-R5;

POSITION No. 111

BLACK (8 men)

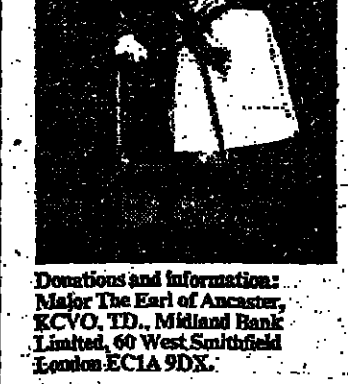


WHITE (6 men)

Westerinen v. Larsen, match 1969. In this position, grandmaster Larsen (Black, to move) has to choose between (a) K-N3 (b) K-B3 (c) K-N5 and (d) KxP. Larsen made the wrong selection; can you do better?

PROBLEM No. 111

BLACK (7 men)



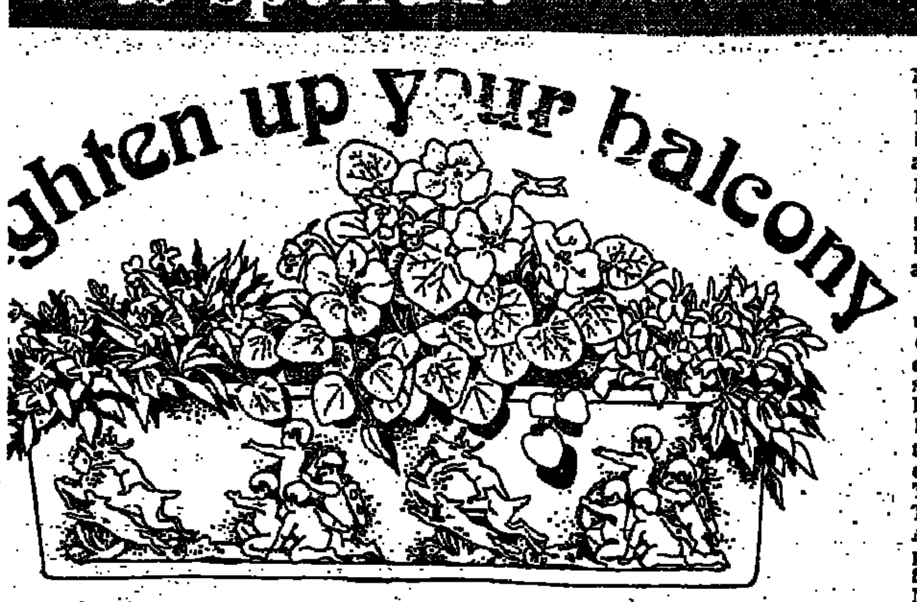
WHITE (9 men)

White mates in two moves, against any defence (by Dr. M. Petri).

Solutions Page 2

هكذا من الأصل

w to spend it by Lucia van der Post



low boxes can be almost as cheap or as expensive as vish but writes AGNES KINNERSLEY, as this form of ning is mostly carried out in cities in other people's houses. rtant factors other than cost have to be considered: the ord, drainage, and/or the window cleaner (as rare as hen's in London). If you feel really deprived without a garden e living in a furnished flat there is no need to despair.

lastics, Purley Way, akes boxes in — a semi-rigid, breakable plastic— drip trays. They circles for punch- age holes and are m hardware and es throughout the

ks for drainage are if you haven't the k up earthenware ettes made for also be used. This e as wood charcoal, hich is essential to sweet if you can't holes. Water very refully so as not to in the flat below. ng boxes carefully dow sills. A long ed with earth can a strong man to short ones are dle. I have three inches by 6 inches on a seven-foot sill only in the side ndow cleaner lifts e inside and shunts along as he cleans. ten the neighbours ailers. On a windy night mine thought the Triffids were after her and wasn't much consoled when I said it was only the Nepeta glechoma hederacea.

Don't dig up the landlord's front garden when he isn't looking or even lug some earth back from the country, complete with weed seedlings agog to defeat your beginner's efforts.

Rassells, 80 Earl's Court Road, London, W.8 and Clifton Nurseries, Clifton Villas, Warwick Avenue, London, W.9 advise a mixture of John Innes Compost No. 2 and Bio Humus with some peat to lighten the soil. These nurseries have supplied generations of London gardeners and their trained staff are happy and willing to advise on the problems of city gardening.

Both stock a wide selection of containers, while Warehouse, 39 Neal Street, Covent Garden, London, W.C.2 is a good source of terracotta plant troughs and terrace pots.

Neglected window boxes look more pathetic than real gardens and if you are not prepared to put some work into them don't have them at all. Plants may survive on neglect but whether they will thrive is another matter. A back (or front) drop of perennials boosted with bulbs and annuals in due season can look effective most of the year. They need watering even when it rains because, sheltered by the house, they can remain almost dry while pavements are awash.

Suggestions: small-leaved slow growing ivies which don't cling to sills and walls, Silver Sheen and Little Diamond. Nepeta hederacea variegata is a pale green silvery edged ground ivy which smells like sage when you touch it and grows well in light shade. It puts out runners like strawberries and doesn't like strong sunlight, though it survived last summer's baking by going to ground and emerging fresh and green again this spring.

It can always be obtained from W. E. Th. Ingerswen, Birch Farm Nursery, Gravetye, E. Grinstead, West Sussex. The catalogue at 15p is well worth getting. Will Ingerswen is an acknowledged authority on alpines and perennial plants and his book, "Classic Garden Plants," illustrated by Charles Stitt, published by Hamlyn, is inspiring and informative.

London Pride (saxifraga umbrosa) and Sedum spectabile (often called "ice plant") also do well. Both have mats of foliage surviving all the year, as does Heuchera. Its flowers are like harebells—ranging from white through all shades of pink to red carried on stiff slender stems. They last well as cut flowers. This plant has been developed by Alan Bloom who specialises in perennials. Do get the catalogue from Bressingham Gardens, Diss, Norfolk. Business by mail order only.

Jackmans Garden Centre, Woking, Surrey, on the A320, two miles from Woking station, issue a catalogue (please send 13½p postage) which is a mine of practical help for all kinds of gardeners and at the nurseries there is a variety of containers and suitable plants for window boxes.

Conditions on window sills are often too rigorous for sowing small seeds, and it is generally cheaper in the long run to buy established plants or seedlings. Certainly it is far more interesting to nurture your own seeds but sowing, pricking out and potting on can rapidly take over a small flat leaving no room for the occupant.

Limnanthes douglasii (fried eggs), convolvulus, marigolds and nasturtiums are big enough to sow directly into boxes.

Say "nasturtium" and the immediate reaction is "greenfly" which is a pity as this is a most colourful and easy to grow flower with many varieties. A hot summer like last year's brings hover fly which munches every aphid in sight but in normal summers a systemic insecticide, Murphy's or Bio, and a Bio Mister (costing about £1) should take care of pests.

"Whirlybird" and "Alaska" nasturtiums grow in neat mounds, the latter having attractively deckled leaves. With dwarf Morning Glory "Blue Flash" they make a cheap and colourful display. Unwin's, Hurst's (Garden Pride label), Thompson and Morgan do them.

Mr. Howard, the manager of Robert Dyas, 179 Finchley Road, London, N.W.3, is a keen gardener who has got in a large stock of Hurst's Red Roulette nasturtiums and dwarf Morning Glory as he found them as successful last year in his garden as I did on my balcony. He also has composts, charcoal, plant foods, boxes and pots as do many Robert Dyas branches.

Thompson and Morgan, Ipswich, stock all varieties of nasturtium—and they're all worth trying. The "Gleam" varieties are scented trailers and look well alternating with the full size Heavenly Blue climber.

Ethelind Fearon wrote two books for what she called "ungardeners"—"Flower Growing for Ungardeners" and "The Reluctant Gardener" (published by Herbert Jenkins), the theme being: how to grow the maximum of flowers with the minimum of effort. To her what climbs also trails so let the morning glories fall over the fronts of boxes with the "Gleams" and don't fall out of the window and bash your thumbs trying to persuade them to climb.

Mrs. Desmond Underwood, an authority on grey and silver leaved plants and pinks, recommends some of them for boxes. But they must have drainage and many hours of light and sun. They generally do well in London unless you live near a power station, but she says she has had a few grim accounts from Manchester and Birmingham. They remain silver for about a year after which they can get drab. The leaves are woolly and dirt cannot be washed off.

Her book "Grey and Silver Plants" (Collins) is a good read as well as being instructive, dealing with the silvers' and greys' drawbacks as well as merits. The Nurseries are at Colchester, Essex—Colchester 72850.

Among silver carpeters guaranteed to run down the fronts of boxes: Artemesia lanata pedemontana, Tanacetum densium amanum and Helichrysum petiolatum.

Mrs. Underwood is developing for marketing this year a dwarf form of Helichrysum angustifolium. They not only sparkle in the sunlight but look beautiful in the dusk with white petunias, providing a good talking point and a bit of one-upmanship once you get the names to trip off your tongue.

If you intend to concentrate on perennials, space them out well (less costly) filling in the gaps meantime with annuals. Besides ivies, try Hosta which grows in semi-shade but must have moisture. Sempervivum (houseleek); Iberis Sempervirens the perennial candytuft; Lysimachia nummularia Aurea (creeping Jenny); Campanula poscharskyana Stella with starlike blue flowers and dark green leaves lasts weeks, also Blue Moonlight and Bressingham White.

For the shade try begonias, fibrous and tuberous, hardy and half-hardy fuschias, ageratum and Busy Lizzies (Impatiens, the Minette and Elfin F1 are most effective with small leaved ivies).

No room for boxes but you'd like some plants? Well, rock plants don't all need rocks and may be grown in half-depth pots in a mixture of John Innes No. 2 and grit. You can get a bag of Bedford sand from Clifton Nurseries for 20p.

Dianthus, aubretia, saxifrage and alyssum (not the same as the annual sweet alyssum) are just a few of the hardy perennial rock and alpines easily grown in pots on a window sill. Get a packet of Cuthbert's rockgarden seeds from Woolworths and follow the instructions on the packet (price 10p).

Herbs are best grown from established plants, need to face South away from the wind and must not be allowed to dry out completely or get waterlogged. Basil and Dill are generally found difficult to grow. The Basil soon gets wispy. Both Rassell's and Clifton Nurseries have plants and Clifton hope to import a purple leaved Basil which should do well here, but don't be disappointed if Basil and Dill don't reward your loving care.

If you go away a lot but would like something green and growing to flourish in your absence, try planting up with Vinca (periwinkle), creeping Jenny, or stonecrop (Sedum acre). The last named doesn't like good soil or being cossetted and, though it remains green all the year, only puts forth its yellow starry flowers in poor soil.

An easy way and one suggested by Roy Hay in his book "Window Box Gardening," also printed in large type, is to sink pots already planted and growing in plastic boxes filled with peat. This book tells you how to have plants all the year if you have a garden and greenhouse and room to substitute plants at the beginning and end of each season.

In theory many plants won't grow in the shade, but geraniums, nasturtiums and other sun-lovers have been known to flourish in what might appear to be uncongenial conditions. Buildings not only shelter from wind but retain heat, and that combined with all 10m. Londoners breathing helps to keep the temperature up.

After all, there are palm trees flourishing mightily outside St. John's Wood Station on the Bakerloo Line.

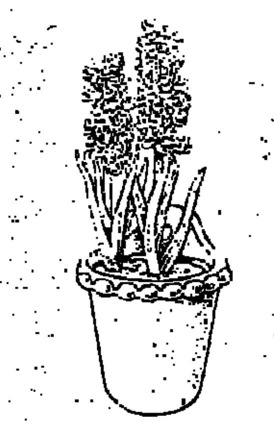
Experimenting can be rewarding. It can also be expensive and the advice of those experienced in town gardening can save you a lot of money. In London, the rock plants, alpines and perennials are already set out at Rassell's and Clifton nurseries and the pace hots up as soon as the sun shines. Both are open early and late during spring and summer and if you 'phone first you may find you can buy plants on the way to and from the office.

● The planters illustrated here are all available from Room Outside Limited of Goodwood Gardens, Waterbeach, nr. Chichester, Sussex and can (except for the small wall pot) be sent by BRS Roadline at charges varying according to distance etc. An illustrated broadsheet showing selected items of garden furniture and "furnishings" which can be sent by post is available for those who are unable to visit ROL in person: enclose an s.a.e. when writing.

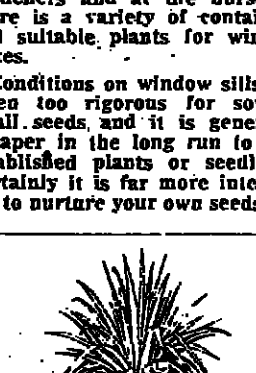
Drawings, Frank Wheeler

Above:

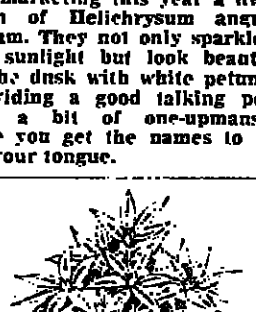
Traditional lead window boxes decorated with Adam's style garlands or, as shown, hunting scene. £32, the size is 29 inches by 8 inches by 8 inches and they can be rested on window sills or fixed by means of angle irons.



Terracotta has always been the perfect foil for plants—this 6 inch hand thrown wall pot is 70p and is available to personal shoppers only.



Esplana's "Romanesque" range of glass reinforced cement planters is available from many garden centres and nurseries, including Room Outside Limited. Prices range from £4.02 for a plain cylinder, 13 inch diameter and 12 inches high, to £9.10 for a patterned cylinder 13 inches diameter and 19½ inches high.



Elegant Versailles tub in Iroko. 18 inch cube is £19.50 painted white or £17.82 in natural finish, carriage extra.

Tubby Iroko (poor man's Burma Teak) planter. 12 inches diameter—£7.86, 15 inches diameter—£10.55, 18 inches diameter—£14.76, carriage extra. Room Outside Limited also have a selection of Iroko plant troughs and window boxes.

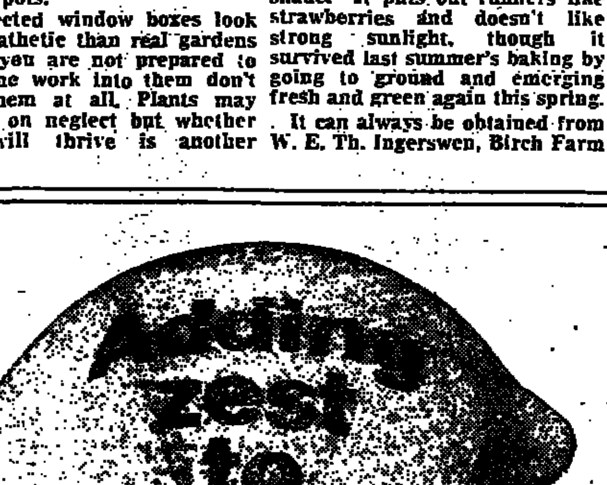
Paint your boxes

IN cramped city gardens paint can be useful and decorative. I give ten-year-old expanded polystyrene boxes and tubs a coat of white emulsion. This preserves their life and reflects light on to plants helping them to grow. Gloss paint should not be used on polystyrene as it can be a fire risk. White painted sills throw up reflected light on to the plants in the boxes. Every scrap of white paint helps to keep plants growing.

Painting over bitumen-coated surfaces is not easy as it is technically a "solvent sensitive surface." However, Polybond, of 42-44, Warsash Road, Southampton, have recently introduced Polybond Q19, an epoxy emulsion paint which effectively covers a bitumen surface as well as concrete, asphalt, etc. It is available in clear, white, light green, buff and light blue, but emulsion paint tinters may be added to taste.

For the balconies over the porches of early Victorian houses (some seven feet square) about three litres of Q19 are needed. The three-coat system is recommended for bitumen surfaces—one of clear and two of pigmented.

It is not the sort of paint that can be bought from ordinary retailers so write to Polybond for the name of your nearest supplier. It costs about £2.47 plus VAT and the leaflet, available must be read first.



ue Delia Smith is or her strong feel- the importance of d black pepper— e absolutely that nd a mill with not grinder are basic the kitchen. But ly strongly about and lemons. Of s I consider the the cook's best

is superbly versa- refreshing flavour t colour make a tion to dishes that across the culinary gin and tonic to

rve a dual purpose s, breaking down and adding flavour. joints with lemon oil, pepper and s before roasting; he Greek trick of ubes of lamb kebab of yoghurt, lemon

e essential too for hat delicate Greek an be made using or veal stock—but e stock, the better ntly simmer 2 oz. stock until tender. n a bowl with the all lemons, a little er. Whisk a ladle- k into the mixture, e mixture into the k over very gentle all the time, until the consistency of thin cream. On no account allow it to boil or the eggs will curdle. Almost any fish dish you can name is all the better for the inclusion of lemon. Whitebait and smoked salmon, to name but two, would seem unacceptable if not accompanied by fat yellow wedges of juicy lemon.

Decapitated whole lemons stuffed with tuna make a pretty summery hors d'oeuvres. Whisk 2 egg whites till stiff. Then fold in 2 x 7 oz cans tuna fish which have been mashed with the pulp of 4 lemons, ½ lb butter, 2 teaspoons French mustard, some dillweed, a dash of Tabasco, salt and pepper. Spoon the mixture into the lemon shells and chill for half an hour before serving.

For simple perfection, nothing can better fresh salmon trout baked in foil with a stick or two of smokey fennel, lemon juice, a knob of butter and black pepper. Red mullet and mackerel are delicious cooked by the same method.

The combination of lemon juice, butter and pepper is also ideal for braising chicory, Florentine fennel or celery. And mushrooms on toast take on new meaning if the mushrooms are thinly sliced then cooked in a closed pan with a good squeeze of lemon juice, plenty of salt and pepper and a little butter. Remove the lid when the mushrooms are cooked and cook over high heat for a minute or two, stirring continuously, to evaporate and concentrate the juices. Mix in a tablespoon or so of thick cream just before serving on thick soft crustless rounds of toast. I allow ¼ lb mushrooms per person for this exquisite first course dish.

The sharpness of lemons makes an excellent foil to offset rich meats: I use lemon zest, celery and chopped walnuts as the basis for stuffing pork; lemon zest chopped capers and anchovies for forcemeat balls to add to venison pie; lemon and parsley flavoured dumplings to add inexpensive zest to stews and casseroles.

Duck with lemon and honey is delicious hot or cold and a nice change from the more usual orange or honey. Simply mix the juice of two large lemons with six tablespoons of clear honey. Prick the skin of a 4-4½ lb duck all over with a fork. Put the bird in a large bowl and use your hands to rub the lemon and honey mixture into the duck. Leave to marinate for 12 hours, basting occasionally, then roast in the normal way.

Pork chops are delicious with a rich garlicky tomato sauce—and I find the inclusion of both a pinch of sugar and a good squeeze of lemon juice helps bring out tomato flavour. Fillet of pork is excellent (more flavourful and cheaper) if thinly cut and beaten like veal escalopes, cooked in a little butter with rosemary and lemon juice.

Tiny lamb cutlets, prettily frilled and topped with pats of lemon and parsley butter, makes a perfect English Summer luncheon dish.

When it comes to a summer buffet party, I frequently turn to *iced chicken with lemon cream sauce*. Put a bunch of tarragon inside a 3½-4 lb chicken and poach in the normal way. Bone and skin the chicken and cut the flesh into bite-sized pieces. Make a bed of savoury rice (I mix plain boiled rice with finely chopped celery, drained and chopped canned pimentos and lots of walnut pieces) and lay the chicken on top. Put strips of lemon peel in 1 pint of the chicken stock and boil until reduced to a scant half pint. Beat two egg yolks with ¼-pint double cream. Stir in the juice of one large lemon. Whisk a ladleful of hot stock into the mixture, then whisk the mixture into the stock pan. Cook over very gentle heat, whisking all the time, until the sauce thickens to the consistency of thin cream. Strain, to discard lemon peel, and pour over the chicken. Cool then chill in the refrigerator before serving.

As well as adding flavour, lemons are marvellous for bringing out flavour. Even an insipid melon can be vitalised by a good squeeze of lemon juice and lemon juice plus grated zest of orange transforms colourful but tasteless cultivated strawberries.

A mixture of orange and lemon are lovely too as the liquid element in almost all fresh fruit salads and for baking such fruits as prunes, bananas and rhubarb.

Sweet things like treacle tart and cheesecake are all the better for the inclusion of lemon. In fact, I think, almost all my favourite puddings contain lemon: Orlando's pudding (the lemon and marmalade steamed pudding for which the recipe appeared on this page on March 6), lemon pancakes, lemon soufflé omelette, mint and lemon sorbet and *fresh lemon jelly*.

Lemon jelly is simplicity itself but a real treat if you've never tasted anything other than the commercial product. Put ½-pint water in a small pan. Sprinkle on the grated zest of 3 large lemons, 1 tablespoon gelatine powder and ½-lb sugar. Stir gently over low heat until gelatine and sugar are dissolved. Remove from heat, stir in the juice of the 3 lemons and 4-5 fluid ounces cold water. Allow to become quite cold then strain into a 1½-2 pint mould and chill until set. This looks stunning if you have the patience to build it up layer by layer with ½ lb seedless white grapes.

Another sweetmeat that is the greatest possible treat if you've never tried the homemade version before is *lemon curd*. Spread it between the layers of a sponge cake, mix with hazelnuts and stir into yoghurt for an instant pud, and use for lemon meringue pie as well as enjoying it on bread and butter for tea.

Lightly whisk 3 large eggs. Put ½ lb sugar, the juice and zest of 2 large lemons, and ½ lb butter cut into small pieces into a mixing bowl. Add the eggs, place over a pan of lukewarm water on medium heat. Stir the mixture until the sugar dissolves. By the time the pan of water reaches simmering point the curd should have thickened. Continue stirring until quite thick, then strain the curd into a clean, warm jam jar.

Finally, a light, refreshing and not-too-fattening *lemon mousse* that includes no cream so makes an occasional acceptable feast for slimmers. Sprinkle 2 teaspoons gelatine powder on 3 fl. oz water and stir over gentle heat until dissolved. Set aside to cool. Put the grated zest of 2 large lemons in a mixing bowl, add the lemon juice, 3 oz sugar and 3 lightly beaten egg yolks. Place over a pan of simmering water and whisk furiously for 5 minutes until the mixture is creamy and billowy. Remove from heat, stir in the gelatine mixture, turn into a soufflé dish and chill in the refrigerator for 30 minutes. Then whisk the egg whites until very stiff. Stir the chilled lemon mixture, fold it into egg whites, then return to the soufflé dish and chill for 4 hours or until set.

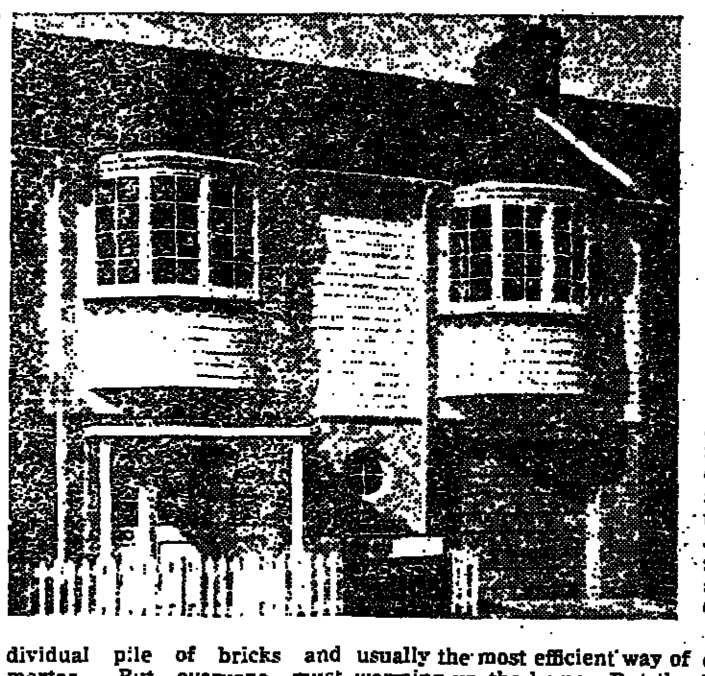
Philippa Davenport

Property

Making life a little brighter

BY JOE RENNISON

It is not given to everyone to be able to live on the river bank in the middle of a busy city and still think they are living in the middle of the country. But it is still true for some of our cathedral cities. The river has not been used for commerce and the city in general has a peaceful air apart from the annoyance from traffic on a few busy roads. Such is the case with the development illustrated above in Cambridge. Nine new houses have been built on the banks of the Cam at Banham's Close, opposite Midsummer Common on Jesus Green. It is difficult to imagine a more delightful setting for those addicted to urban-dwelling. The houses are arranged in three blocks of three with an access road at the rear. On three storeys, they have three bedrooms, and two bathrooms and two reception rooms. Each has a garage and four of the units have a balcony overlooking the river off the main bedroom suite. They have been designed to fit in with their surroundings and the shape and finish of the buildings have to be approved by the Fine Arts Commission. They were built by the J. M. Hill Group for Wymondham Development Company, Ltd. Prices range from £29,000 to £30,250. The agents for the properties, one of which has already been sold, are Gray, Cook and Partners, 27, Saint Andrews Street, Cambridge.



One could look out of the window of the house on the left and shout "Hello sailor" and in the summer have at least 1,000 replies. It is on the quayside at Lymington, Hants, a famous centre for those interested in the aquatic sports. Quay Cottage has been converted from two smaller Victorian cottages and now makes a very pleasant home. Looking across the Marina and the Lymington River, it contains two bedrooms, bathroom and shower-room and reception area on the first floor to take the best advantage of the view. Offers of around £40,000 are being asked for the freehold. The agents are Jackson and Jackson, handily situated a couple of doors away at The House on the Quay.

HAVE YOU ever had that feeling that something about the home is not quite right? This malaise can be brought on in any number of ways, all of them unpleasant. The proud householder returns home and on entering the house trips over the children's wellies, sits in the coal bucket and puts his foot through a rotten floorboard. The air turns blue, the cat gets kicked and the children are sent to bed.

Or perhaps he is sitting in the living room — a room he loved for many years — and suddenly realises that he is becoming suicidal about the drab colours of the walls and woodwork — and besides the windows are too small by far — moreover the whole house is ridiculous and he didn't want it in the first place.

It is all very sad and no-one's fault basically. It is simply that the house has outgrown its function in some way. With the arrival of children the home that the newly-weds came to is now no longer the efficient machine for living that they thought it would always be. They should of course have thought about the extra space that would be needed in the first place. It is necessary to think about this even if there is no intention of planning for a family. It is surprising how the accumulation of junk over the years makes some people realise how inadequate the choice of their original home was.

The need for a change does not necessarily occur because of increasing drabness caused by neglect. It is just simply that a change in our surroundings is often what we require to make us feel a little better. With mother-in-law there would seem to be little choice but to move out, change houses or build an extension.

In all of the examples it is quite simply a matter of something having to be done to prevent one becoming virtually a slum dweller or having a breakdown. In many cases the easiest solution would be to sell the house and move into a bigger and better one. But this is not always possible, particularly in to-day's property market. Overheads have gone up so much on the running of a house that any increase in salary over the years may well have put "trading up" out of the question.

In many cases the only thing to be done is to extend or decorate the existing home. This is more easily said than done. If the houseowner is like me, someone who does not know one end of a hammer or paintbrush from the other, then this could lead to difficulties. And besides, the do-it-yourself principle is no doubt all very well and virtuous but doing the actual work can be extremely tedious. There are so many things that one could enjoy doing instead of painting a wall or building a brick wall. Where possible, and that means where the cash is available, it is much easier to call in those who are better qualified to carry out this kind of operation.

The work is after all an investment. It can mean that the house will be easier to sell or it can mean that it will be more economical to run. This latter point is very important in an age of ever-rising bills. The former is true but not if the owner is expecting to recoup the overall cost of the improvements made.

Where to start on such an exercise might pose something of a problem for the impractical man. Some advice from an authoratitive source is obviously needed if only to germinate some ideas . . . . some rough idea of the cost can be obtained at the same time.

A recent pamphlet published by the Authorised Home Improvement Centres Scheme could be of use to those who have no idea how to start. Called "Guide to a Bigger, Better, Brighter Home" it contains a plain man's guide to some of the areas where improvements can be made and some of the snags that might be encountered. The Centre is backed by the National Federation of Builders' and Plumbers' Merchants and it gives a list of 550 centres where the home owner can go for advice.

There is great potential in most houses. Each case must be considered on its merits and the right solution found for the individual pile of bricks and mortar. But everyone must surely be able to find something that they want that is touched on in the aforesaid guide.

Let us begin with those aspects which will help to bring down the cost of running the house. Most people would like central heating, and it is usually the most efficient way of warming up the home. But the system chosen must be carefully selected to suit the individual building as indeed must be the choice of fuel.

The guide lays out the main types of system and the way they work. But however efficient one's heating system it is of little use if literally or figuratively the heat is going out of the chimney. While it is not essential to have one without the other it does make sense to have both jobs done at the same time if it can be afforded. There are many types of insulation including cavity wall insulation, the lagging of pipes, draught excluders and glass fibre or granule protection laid over rafters. The expert in each case will have to say which is the most suitable. Double glazing, apart from cutting out a lot of noise, also prevents heat loss but not to the extent of some of the advertisers would claim.

Providing more space is a relatively easy thing to do in most houses and there are many ways of achieving it. The most popular seems to be an extension to the front or rear on the ground floor if it is feasible and if it does not offend the local planning regulations. A timber frame and glass extension to kitchen or living room can make a tremendous difference to living space and are still remarkably cheap. But as the guide points out it must be remembered that "an extension will probably increase your rates." If you have a mortgage you should also advise your building society or local authority before carrying out structural alterations.

The other most obvious way of increasing space is to convert the loft. It is on this point that I would take issue with the guide which states that "when calculating costs bear in mind that such a conversion can add 20 per cent. to the value of your house. This is just simply not true. There are so many other factors to be taken into account in the valuation of a house apart from the simple adding up of square footage.

Practical hints are given on other improvements and additions such as garages and carports, patios and porches and the possibility of reducing the number of rooms by knocking two together. Improvements to kitchens, bathrooms, living rooms, bedrooms are also discussed and there are some tips about how to approach the problem of decorating. There are also some useful points on how to make the best of a garden.

The most important aspect of all this is the cost, and included in the guide there is a quick analysis of the improvement grants that are available to the householder. "Guide to a Bigger, Better and Brighter Home" is available from the NFBPM, 15 Soho Square, London W1B 5FB, price 20p.

Ice cream

Trans-Atlantic flavours

"I NEVER met a flavour I didn't like," says Mr. Irvine Robbins, America's favourite purveyor of ice-cream, who this year celebrates 31 years in the business. For Baskin-Robbins, a 31st birthday is a special occasion since the company's remarkable success is built largely around its famous "31 flavours" concept.

Mr. Robbins, at 58 the ebullient, energetic chairman of the Board, estimates that this year his company—America's only national ice-cream chain—will sell some 30m. gallons of the stuff at more than 1,600 franchises in the U.S., up about 5m. gallons on last year. With Baskin-Robbins stores popping up in Canada, Japan and Belgium in 1976, the company will expand to a total of 1,776 outlets. (The figure is, of course, by way of a patriotic gesture in Bicentennial year.)

Certainly J. Lyons Co. have no reason to rue the day they bought Baskin-Robbins from United Brands for \$37m. (plus \$8m. to a separate group of stockholders). Since the purchase in 1973, the company has forged ahead steadily, reaching a retail sales high of \$125m. last year. "Lyons leave us in peace," says Mr. Robbins. "London is 5,550 miles away, and we're doing great."

Apart from the quality of the Baskin-Robbins product, chairman Robbins concedes much credit for the firm's success is due to the advertising firm he chose to run a campaign and brighten up stores back in the 1950s. Admen Ralph Carson and Jack Roberts devised the "31 flavour" slogan (there are actually some 500 flavours, rotated monthly through the stores) and came up with the idea of using jokey names: Cafe O'lé, Nutcracker Sweet, Chip Chip Hooray, and so forth.

Carson Roberts also designed the chocolate-and-cherry sign that alerts the public to Baskin-Robbins' presence across the U.S.

Mr. Robbins began business in a small shop in Glendale, California, later going into partnership with his brother-in-law, Burton Baskin, who died eight years ago. But long before this first venture, Robbins was in the ice-cream trade: his father, a Russian emigrant, opened a dairy in the state of Washington with ice-cream a speciality. The young Irvine swept the store, delivered his father's product packed in wooden barrels with rock salt and ice.

Robbins opened his first "Snowbird" store in 1945. Business was brisk and just three years later there were five "Snowbirds" in Los Angeles. Soon—and long before the days of giant McDonald's type franchising operations—he and Baskin were selling stores to ambitious employees who seemed capable of good management.

"We asked a \$200 (a little over £100) down payment in those days," Robbins sighs. "Now it's \$50,000." Baskin handled training and the leases; Robbins concentrated on improving and selling the product.

By 1959, the firm had expanded into other states and was taking in royalties from a score of franchisees. "For most independent ice-cream manufacturers, business was bad," says Jean Paddock of Arizona, who took out an early franchise. "But Baskin-Robbins was booming. They had to be doing something right."

That something was hard work, plus imaginative salesmanship. The Baskin-Robbins roster of flavours grew ever more colourful. To mark the arrival of the Dodgers in Los Angeles from New York in 1958, something called "Baseball Nut" was created: it included raspberries for the umpires, peanuts for the folk in the stands. The landing of the first astronauts on the moon in 1969 was commemorated by Lunar Cheesecake Ice-cream.

During a presidential election year, America was offered "Candi-Date." When James Bond films became popular there was, what else, "Secret Flavour 0031."

The company went nationwide in 1965, and the unambitious Mr. Robbins ("I was looking to make \$75 a week when I started") found himself flying into New York and other cities in his personal jet. When the 1,000-store mark approached the partners sold out to United Brands because their legal advisers warned that if something was to happen to one of them, estate taxes would wipe out the business. And, in fact, Mr. Baskin did die, less than a year after completion of the sale.

Robbins personally tastes, tests and approves each new addition, with the help of five of his aides. Each month they gather in a small dazzingly white kitchen at the firm's Burbank headquarters and sample, with plastic spoons, containers of ice cream which have been brought from different plants. Too much egg in the Egg Nog? A certain muddiness in the Choccy Chip? Some executive down the line will be hearing from the boss.

When not engaged on testing, Robbins says he eats three plates of ice cream a day. Anything is possible for a man whose car number plate reads BR 31, and whose swimming pool, at his home in the hills, is shaped like an ice cream cone. After his daily morning swim, he does 31 push-ups.

Because he finds "high finance" boring, Robbins has brought in as president Mr. Robert Hudecek, late of Van Kamp's restaurants to take the strain. "It's a great relief," he says, "I have more time to think about ice cream."

MAURICE IRVINE

Stamps

Art on the Euro-mail

AFTER MORE than a decade of obscure symbolism the member countries of the European Posts and Telecommunications Conference (CEPT) decided to issue their annual "Europa" stamps within the broad framework of a common theme. For the period 1974-76 the theme of the arts was selected. Stamps released in 1974 featured sculpture and last year painting was chosen. This year's theme is delightfully vague, being variously interpreted as either the applied arts or local handicrafts and the resulting stamps provide considerable scope for anyone contemplating a collection of stamps showing a subject which has been largely neglected hitherto.

Half the participating countries seem to have decided that the original CEPT brief applied only to aspects of the ceramic arts. The stamps being issued by France on May 10 depict pieces of Strasbourg faience and Sevres porcelain, while West Germany has chosen two Ludwigsburg figurines of the 18th century for its stamps. The 40pf shows a girl selling trinkets and prints, while the 50pf shows the matching boy print-seller. These figures are in the Hamburg Museum of Art and Handicraft.

Monaco does not have the immense ceramic tradition of her larger neighbour, but has come up with two stamps featuring Monegasque pottery nonetheless. The Frs.1.20 shows a 19th century figure of a harvester and the 80c depicts a serving dish with a lemon tree motif, a product of the current revival of craft pottery in the principality. Tiny Liechtenstein has chosen for its stamps polychrome porcelain figures of a mouflon sheep and a family of pheasants, both modelled by Prince Hans von Liechtenstein.

Faience from the Herrebo Potteries, dating around the 1750s, is the subject of Norway's 125 and 140 ore stamps — a bishop bowl in the shape of a mitre and a decorated rack plate. These objects come from the Oslo Museum of Applied Art which celebrated its centenary last month with two stamps in the same denominations, featuring a silver caster from Stavanger and a lidded goblet or *pokal* from the Nostetangen glassworks. Both objects date from the 1770s.

Folk pottery from the village of Nospelt is the subject of the Luxembourg stamps. The Frs.6 shows a lidded tureen produced by Nicolas Biver as a wedding present in the late 19th century, while the Frs.12 shows a terra cotta two-handled bowl from the early part of this century. Yugoslavia's 3.20 dinar stamp depicts a polychrome figure of King Matjaz, modelled in 1931 by Jacob Pogorelec and now in the Slovenian Ethnographic Museum in Ljubljana. By contrast the 8 dinar features a 14th century beaker.

Pottery is also the subject of two of the three stamps being issued by Cyprus on May 3. The 60 mils shows a composite vessel of about 2000 BC while the 20 mils reproduces an anthropomorphic vessel of the 19th century. The 100 mils, however, depicts a richly jewelled Byzantine goblet of the 15th century. A magnificant chalice of the same vintage is the subject of Austria's Sch.4 stamp. From Switzerland come two stamps devoted to embroidery and watchmaking. The 40c shows the delicate floral design of a cotton embroidery in gold thread on tulle, and the 80c depicts a richly decorated late-18th century pocket watch from the horological museum at Le Locle.

A traditional Lapp spoon, intricately carved from elk-horn by Pal Zackrisson in 1862, appears on Sweden's Kr.1 stamp. The Kr.1.30 value shows a highly decorative tile stove of Marieberg faience, from the Sturehov mansion on the outskirts of Stockholm. The latest addition to the Swedish definitive series, Kr.1.50 released last month, shows a girl making bobbin lace in Vadstena.

The widest interpretation of the crafts theme comes from the smaller CEPT members. Andorra's 80c and Frs.1.20 feature Catalan ironwork and woolwork respectively, while Iceland's Kr.35 depicts a finely carved wooden bowl and the Kr.45 has a distinctive Icelandic spinning-wheel. Guernsey has concentrated on local metal crafts for the stamps being released on May 29. The 10p shows a copper milk-can in a style introduced by the monks of Mont St. Michel in the 10th century and produced to this day by the Penney Brothers in St. Peter Port. The 25p features a two-handled silver christening cup dated 1797.

JAMES MACKAY

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ICI seeks price increase as naphtha cost rises

BY RHYS DAVID, CHEMICALS CORRESPONDENT

FURTHER INCREASES in the cost of the chemical raw material naphtha, partly because of the continuing devaluation of sterling, are being blamed by ICI for a price rise application—its third to the Price Commission since December.

ICI was recently allowed rises from 8-15 per cent. on various products, including its main olefines and aromatics—raw materials used in the manufacture of a wide variety of downstream products.

The company believes, however, that it is now facing a further £25m. a year rise in the cost of oil-based naphtha and is seeking a new increase again of about 10 per cent. on olefines, benzene and toluene, with a further application covering acetone, ethylene oxide and ethylene glycol to follow later.

The problem faced by ICI, and the other big chemical companies, is that since 1973 naphtha has risen from about $43 a tonne to about $140 at present, a rise of more than 300 per cent.

Ethylene, one of the basic chemical building blocks derived from cracking naphtha, has gone up from about $135 a tonne to $340 a tonne, a much smaller rise. The price of products made from ethylene has also gone up much more slowly.

The higher price for naphtha partly reflects a move by the oil companies to obtain a much higher return from the product, which in spite of the drop in chemical production around the world last year has remained in much stronger demand than other refinery products such as fuel oil.

Prices for naphtha have risen further this year with the increase in demand for some products of the chemical industry such as plastics.

Intensified

The naphtha price problem in the U.K. has been intensified however by the fall of about 10 per cent. this year in the value of sterling against the dollar, the currency in which oil and oil products are priced.

ICI has said that further regular rises would have to take place during the year.

Within the industry an ethylene price of as much as £300 a tonne is being mentioned as necessary to justify investment to increase Britain's ethylene capacity.

ICI is building jointly with BP a new £135m. ethylene cracker at Wilton on Teesside, but the Government is known to be anxious to stimulate further investment in new capacity so that full advantage can be taken of U.K. access to its own oil supplies.

In seeking to increase prices the chemical companies are running into the problem that many of their downstream customers have been operating at very low margins during the past year and have kept up volume by cutting prices.

As a result many smaller concerns say they will be unable to meet the higher prices sought by the chemical industry.

● Hoechst U.K. is to increase the price of its Trevira high tenacity and monofil yarns by about 10 per cent. from May 1. The price increases are blamed on rising raw material and production costs of all oil-based products.

Dublin Government faces test if Provos defy ban on march

BY GILES MERRITT

DUBLIN, April 23.

THE IRISH Government's tough, no-nonsense approach to the Provisional Republican movement is expected to be sorely tried after to-day's confirmation that the remains of Mr. Joe Clarke, who died in Dublin last night aged 94, one of the last survivors of the 1916 Easter Rising, are due to figure prominently at Sunday's banned mass demonstration backing the Provisional IRA.

Mr. Clarke's coffin may be paraded through the streets of Dublin in the march of 10,000 Provo sympathisers, to culminate in a rally outside the GPO building, the focus of the rising.

His body has been given by his family into the custody of the National Graves Association, a strongly Provo organisation. IRA sources claim that the Government is unlikely to dare to resort to the strong-arm tactics it used to prevent hunger-striker Frank Stagg's funeral being turned into an IRA demonstration two months ago.

For the IRA, of which he was long a supporter, Mr. Clarke's death has been timely. Three years ago he was refused entry to Britain for Provisional Sinn Fein celebrations of the Easter Rising.

He played a prominent role in the short-lived 1916 revolt and was taken prisoner by British troops only when he had run out of ammunition.

His posthumous contribution to the Republican movement will be to deepen the confusion already surrounding the banned rally and to heighten the Irish Government's embarrassment.

Provisional Sinn Fein lawyers plan to challenge the ban in the courts.

● A controversial speech by Mr. Enoch Powell has brought a call for him to be ousted as an Ulster MP.

The Democratic Unionist Party, led by the Rev. Ian Paisley, called on its ally, the Official Unionists, to look for an alternative candidate.

Mr. Powell angered Protestants by claiming that the union with Britain was as strong as ever and that the Ulster Unionist coalition had ceased to exist.

Mr. Paisley's party said that the Unionists should seek someone who accepted that direct rule from Westminster undermined stability of the Union.

● Mr. Tom Cahill, whose £20,000 award for injuries in a shooting has been frozen pending an appeal against it by the Northern Ireland Office, has said that the award is not enough.

Mr. Cahill, brother of the former Belfast Provo leader Joe Cahill, said he was thinking of appealing because the damages were inadequate.

Oil platform companies 'face a tough time'

THERE is a tough time ahead for Britain's oil production platform builders, Dr. Dickson Mabon said yesterday.

Dr. Mabon, newly-appointed Minister responsible for North Sea oil, said in Glasgow that he would be meeting the principals of oil companies in the next six weeks and would be asking about platform orders.

There has been speculation about the future of the McAlpine construction yard at Ardyne Point on the Clyde estuary, but Dr. Mabon said that he had had discussions with the firm and there were no fears of a shutdown because the yard had work until next spring.

Oil companies wanted to be certain of geological and technical problems facing them before they sited a new platform.

Stonehouse to conduct his own defence

MR. JOHN STONEHOUSE, the former Labour MP who now represents the English National Party, will conduct his own defence when he goes on trial at the Old Bailey next week on charges of forgery, theft and conspiracy.

He said yesterday: "As the charges were originally brought against me for political reasons, and now the prosecution have shown by the depositions they have brought forward that they want this to be a political trial, I have decided to defend myself.

"It is the best way to bring out all the facts for the benefit of the jury. It is important they should appreciate the full circumstances surrounding this case rather than being asked to judge the defendant on a narrow, legal interpretation and argument which may confuse them and distract them from their wider duty."

Dow plant for Norfolk

DOW CHEMICAL, one of the big U.S. companies, is to build a £5m. plant at King's Lynn, Norfolk, to produce the insecticide Dursban.

The project, due for completion by mid-1977, represents Dow's biggest single manufacturing investment in the U.K.

The company manufactures a range of agricultural chemicals at King's Lynn, its main European biological products research and production facility. It produces polystyrene moulding materials at a plant in Barry, South Glamorgan.

● The chemical industry reports an improved trade balance for the first quarter of this year compared with the same period last year. Exports in the first three months rose to £683m. and exceeded imports by £253m.—a rise of £32m. over the surplus in the first quarter last year.

Energy hunt must go on

ACTIVITY in the world search for new sources of energy must remain high for many years if the needs of modern industrial economies are to be met, Mr. John F. Burditt, chairman of ACF Industries, said yesterday at the official opening of the company's new plant at Cumbernauld, near Glasgow.

The plant provides 20,000 square feet for the machining and assembly of gate valves, wellheads, and wellhead assemblies for use in oil and natural gas wells in North Sea fields and other sources of energy throughout the U.K., Europe and the Middle East.

Glass container demand revives

By Kenneth Gooding, Industrial Correspondent

THE DECLINE in demand for glass containers, which put 20 per cent. of the industry's capacity out of action last year, has now been reversed, the Glass Manufacturers' Federation claims.

A revival in the second half of last year enabled the industry to produce volume sales only 4 per cent. below the 1974 level and "a clear upward trend can now be detected."

One important factor is that long-term quantity contracts signed by U.K. companies with overseas suppliers during the period of home shortages early in 1974 have now run out.

As a result, glass container imports fell to 562.5m. units last year, nearly 50 per cent. down on the previous 12 months. This year imports should be back to a more normal level of about 200m. units.

Volume sales last year reached 6.2bn. units against 6.46bn. in 1974. The sales value managed to keep pace with inflation, thanks to three price increases, and was up 27.4 per cent. from £137.4m. to £175m.

Depleted stocks

De-stocking by users also played its part in depressing levels during the first half of 1975. Mr. Oliver Normandale, director of the federation, said: "In the early part of the year, many users of glass containers embarked on strict de-stocking policies.

"The rate of demand later in the year, once packers' stocks were depleted, indicates a strong revival for our industry."

An analysis of the destination of the glass containers used last year shows that 27 per cent. or 1.69bn. units went to food packers; 21 per cent. (1.33bn.) to the soft drinks industry; 20 per cent. (1.23bn.) to wine and spirits bottlers; 9 per cent. (544m.) to the chemicals and pharmaceuticals industries; 7 per cent. (452m.) for diary products; 6 per cent. (357m.) for beer and cider; 3 per cent. (191m.) for toiletries and perfumery, leaving 7 per cent. (407m.) for other things, including direct export.

Loan helps to save shipyard

United Towing is to buy the Cochrane shipyard at Selby, Yorkshire, from the receiver for the Drypool Group—recently removed from the list of shipbuilding and aerospace companies to be nationalised.

The purchase, which is expected to go through on June 1, will be made with the help of a £400,000 loan from the Department of Industry and will secure the jobs of about 350 workers with the prospect of further jobs later.

United Towing is to invest an immediate £500,000 at the yard.

Haven dues

Milford Haven Conservancy Board is to raise its dues on ships of all kinds entering the Haven in an effort to overcome the losses suffered because of a 27 per cent. fal lin traffic last year and a steep rise in costs.

Official dismissed

Winchester City Council has dismissed Mr. Leslie Robjohn, 60, its £8,000-a-year director of technical services after only a year in the job because of "his lack of capability to perform the work for which he was engaged." In his previous, similar post, at Peterborough, Mr. Robjohn was awarded the MBE for his services.

Freedom fighters

Working journalists were the guardians of freedom—not Mr. Michael Foot, the TUC or Mrs. Thatcher and her shadowless Cabinet, Mr. David English, editor of the Daily Mail, told a "meet the editors" meeting in London organised by the Institute of Journalists. He attacked the "Left-wing myth" of a Press dominated by wicked proprietors forcing editors and journalists to write anti-working-class lies.

City letting

MEPC property group has let more than half (40,000 sq. ft.) of Blackfriars House, London, E.C.4—its only vacant building in the City—to solicitors Clifford-Turner. The building has been on the market since a complete renovation was finished last year.

Top of the milk

A cut of 1p to 10p in the price of a pint of top quality Channel Islands milk was announced yesterday by the Ministry of Agriculture in a bid to stimulate demand. Sales have fallen about 20 per cent. since the price was raised in November.

● NEWS ANALYSIS—LEYLAND

A costly clock-out

BY DAVID CHURCHILL

THE UNOFFICIAL strike yesterday by 3,000 car assembly workers at British Leyland's Cowley plant after two years of comparative labour peace is symptomatic of the growing industrial unrest and tension now gathering pace within Leyland.

In the past two months, a rash of unofficial strikes at Leyland's car plants in the Midlands has forced many thousands of workers to be laid off at different times and has cost the company about £60m. in lost production.

No sooner is one strike settled and full production resumed—vital if Leyland is to satisfy the National Enterprise Board as to its viability—then another dispute breaks out, halting production and forcing lay-offs.

At Cowley, where the Princess, Maxi and Marina range is produced, the present dispute is even more surprising considering the dramatic reduction in labour unrest in the past two years.

Between May 1972 and May 1974, the Cowley plant lost about 3.2m. man hours and 96,000 cars due to strikes. In the two years since only 452,000 man-hours and 25,800 cars have been lost.

Militants

This improvement in Cowley's industrial record has been linked with the fall from power of the Left-wing militants at the plant, especially Mr. Alan Thornett, a Trotskyist. In the spring of 1974 British Leyland started a series of damaging strikes by withdrawing credentials from Mr. Thornett and other militant shop stewards.

Ironically, Mr. Reg Parsons, the moderate Transport and General Workers' Union senior shop steward at the plant, who rose to prominence after the Leyland attack on Left-wing stewards, is believed to have been one of the union officials who yesterday determined the hard line taken by the 3,000 day-shift workers.

These workers decided yesterday to take strike action, thus halting production of 1300 Princess, Maxi, and Marina cars costing Leyland about £2.5m. at showroom prices.

The strike was called after the management had dismissed two long-serving car workers for allegedly misusing the "clock" time-recording system. Mr. Harold Turner, who has been at the factory for 18 years, had "clocked out" his friend, Mr. "Chalky" Cole as well as himself.

Employees at Cowley, as at most industrial plants, are told on joining the company that unauthorised clocking in or out makes them "liable for dismissal."

Labour disputes at Cowley, Oxford:

Period	Man-hours lost	Cars lost
July, 1972-April, 1974	3.2m.	96,000
May, 1974-March, 1976	452,000	25,800

The two Cowley workers' clocking-out offence was reported to management and set disciplinary procedures were taken.

These involve a senior foreman assessing the nature of the offence and then passing his judgment to a superintendent. He also checks the nature of the offence and passes the case on to the department manager.

A senior shop steward then has an opportunity to make an appeal on behalf of the men involved to the plant's industrial relations manager. After following this procedure, the manager decided that the offence of the two workers merited dismissal.

When the two men's 300 colleagues on the trim shop line at Cowley for the Princess model learnt of the men's dismissal on Wednesday, they walked out in protest. A further 800 workers on the night shift joined them on strike, causing another 200 to be laid off.

A mass meeting of the 3,000 day shift workers then decided to join the strike.

The strikers feel that Leyland management has over-reacted to the clocking out offence.

At yesterday's meeting it was made clear that other offences of this type had not led to dismissals and that both men's unblemished records with the company justified giving them a second chance.

'Regretted'

The strikers felt that Leyland management was playing "tough" on this issue in line with its firm approach to the other strikers in recent disputes.

The Leyland management, however, yesterday "regretted" the strike since it had been called before all grievance procedures had been exhausted.

The strikers should have raised their protest at an emergency plant conference, management claimed. It that failed, then an extended plant conference away from the factory could be held to resolve the dispute.

Undoubtedly, the peace formula worked out with shop stewards at a meeting with management yesterday — which is to be put to the strikers on Monday morning — will involve a resumption of this grievance procedure.

The feeling among the strikers yesterday was that if the management wanted to play it "tough," then Cowley's future industrial relations record was unlikely to be so favourable.

Pound's fall gives British cars price advantage over imports

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE COMPETITIVE edge given to home-produced motor cars by the devaluation of the pound was clearly demonstrated yesterday by a round of price increases from British Leyland and Datsun which left the U.K. company's products with a small but significant advantage.

The average Leyland increase amounts to 4.6 per cent., while rises for Datsun models range between 7 and 10 per cent.

At the bottom end of the market, where the Japanese companies have been particularly strong, the Cherry 2-door saloon has gone up by £97 to £1,495, while the price of a Mini 1000 has risen £69 to £1,491.

The Sunny 4-door is now priced at £1,829 (an increase of £136) as against £1,768 (up £76) for the Allegro 1100 4-door.

In both these all-important sectors of the mass market, Datsun has been one of the most competitive of the importing companies.

One of the reasons for the British industry's unsuccessful anti-dumping allegations against the Japanese, last year, was the ability of the Japanese companies regularly to undercut British products in these sectors.

The fall in the pound, which has been effectively devalued against the dollar by 25 per cent. over the last 12 months has now eroded the importers' advantage.

For the Japanese importers one factor behind the price increases could be worry about the revival of suggestions of import controls against their products.

Earlier this month there was a flurry of telexes between the British and Japanese motor industry representative bodies concerning the level of Japanese car imports and sales in this country.

There is no doubt that the larger concerns—Datsun and Toyota—are willing to hold down their sales in the U.K. roughly to the levels they achieved last year, but sales of the smaller producers—Honda, Mazda and Colt—have been going up.

With imports now well above 30 per cent.—the British industry regards 25 per cent. as acceptable—the Government may be forced back into re-examining the argument for controls.

The position of British Leyland, which has been fairly firm in its opposition to import controls, has noticeably weakened in the last few weeks.

EXAMPLES OF PRICE INCREASES

British Leyland	New price	(old price)	Datsun	New price	(old price)
Mini 1000	£1,491	(£1,422)	Cherry	£1,495	(£1,398)
Allegro 1100	£1,768	(£1,692)	Sunny	£1,829	(£1,693)
Maxi 1750	£2,273	(£2,207)	Bluebird 160	£2,142	(£1,984)
Rover 2000	£3,580	(£3,426)	Laurel Six	£2,891	(£2,679)
Jaguar 3.4	£5,839	(£5,588)	260 Z	£4,916	(£4,598)

Doctors' strike wrong—Goodman

BY DONALD MACLEAN

STRIKE ACTION by doctors was yesterday attacked by Lord Goodman, a key figure in a recent return to normal working by doctors at national level.

Industrial action by doctors, he told the Medical Journalists' Association in London, "destroyed the whole ethic of the doctor's profession and his standing with the public."

Lord Goodman's statement came as some doctors in the Oxford region continued the two-day strike started on Thursday, but ancillary hospital workers in Reading called off the boycott of private patients at the Royal Berkshire and Battle Hospitals that they started on Thursday, with a view to its being continued until the end of the month.

The ending of the ancillary workers' boycott came after a meeting with medical staff on Thursday at which it was made clear that the doctors' action was not across-the-board. Porters, cleaners and other members of the General and Municipal Workers' Union in Reading had expected a full strike by doctors.

The Oxford region strike on Thursday and yesterday covered some doctors in the fields of surgery, gynaecology and anaesthetics, and has led to some out-patients' appointments being cancelled and to some non-urgent operating sessions being lost, although doctors have not attempted to halt treatment of emergency cases.

Collecting

When fire made its mark

BY JUNE FIELD

IN THE 1910 commemorative book *The Early Days Of The Sun Fire Office*, former manager and secretary Edward Baumer gives an amusing account of the hit-and-miss book-keeping methods practised when the business was formed in 1710.

"For a considerable time it was the system to call up money as required to meet losses and current expenses, and to place it in 'the Chest,' in which were also periodically deposited the premiums collected, and whenever that chest contained an amount in excess of what was regarded as sufficient to meet probable outgoings, a dividend was declared." (It was not until 1726 that a proper Capital Fund was formed.)

This chest was a hefty box fastened with two padlocks and a spring lock in the lid, regarded as combining the virtues of a strong-room and a Banker. "Indeed, its superiority over the principle of investment was not without supporters," reported Mr. Baumer. One of the misdeeds of the managers alleged by the founder Charles Povey (c 1655-1743), was that they "had put their money out to interest, instead of keeping it in the Chest."

It was also the custom to dip into the box for the cost of a little jollification. It was recorded at one meeting that "The Treafr took £5 out of the Cheft for ye Dinner," while at another it was agreed that half-a-piece (sixpence) "be allowed to the Waterman to drink our healths," and "each half-year the Firemen are granted 30 shillings for dinner, with tenn shillings for Musick."

The men were mostly watermen, and by virtue of their employment as firemen enjoyed immunity from the press gangs, "the Treasurer having procured a General Protection from the Admiralty Office." They had to be trustworthy too, the original proposal form stating: "For the further encouragement of all persons there are actually employed in the Service of the Office Thirty lusty able-body'd firemen who are cloth'd in blue liveries and having Silver Badges with the Sun Mark up on their arms, and Twenty able Porters likewise, who are always ready to assist in quenching fires and removing goods, having given Bonds for their fidelity."

The lead fire mark of Shamrock Fire and Life, Dublin 1823-25, in Phillips sale on Friday.

Before the advent of fire insurance the only help available to someone whose house was burnt down, was through the parson drawing attention each Sunday in church to specific cases of hardship in the hope that contributions would come in for the needy. The first fire office was set up in 1680 by Dr. Nicholas Barbon, who was responsible for a large amount of the rebuilding of the City of London after the Great Fire some 14 years earlier. But it did not survive for long, and the recorded list of early societies is headed by The Friendly Society of London, 1683, and the Hand-in-Hand 1696, followed by the Sun, the latter's distinctive emblem for its fire mark covering over 26 variants. The marks are the signs, first of lead, then of copper in the early 19th century, and later of tin and iron, which were fixed to the wall of a building to identify the property in the days before precise numbering. Examples before the end of the 18th century usually bear the policy number beneath the emblem.

Fire marks and other antiquities relating to early insurance companies and fire brigades have been collected for some time, but further interest has been sparked off by recent fire mark sales at Sotheby's and Phillips. An enormous mail was received by Phillips after their January auction when prices far exceeded estimates. Firearms expert Philip Hoare, who looks after the catalogue admits that while there is no problem putting a price on a pair of flintlock pistols, fire marks are still a relatively unknown quantity.

About half of the 150 or so lots in Phillips sale on Friday at 7 Blenheim Street, W.1., are from an important collection, with the rest from fresh sources. Although the two rare items, the mark of the Shamrock Fire and Life, Dublin, 1823-25, in lead, and the St. Patrick (Dublin) Life, Fire and Marine Insurance Company, 1824-1829, in copper, are estimated to fetch around £400 each (the record auction price notched up by Phillips, was £540 for the lead mark of the Suffolk and General Country Amicable Insurance Office), the more run-of-the-mill items could be in the £20 to £40 bracket. For those astute enough to rescue marks from old houses, demolition sites or country antique shops and markets, then obviously prices should be far less.

Items are swapped and sold through The Fire Mark Circle, where the membership is 450 of whom over half are in the United States. Their current news sheet warns against counterfeit British marks, a member reporting that he was offered a lead Salamander No. 379. "The fake was very good, and the bright lead on the back of the plate had been rubbed over with what appeared to be a mixture of mud, brick dust and white wash. However, two small pin holes had been missed to reveal the newness of the metal. The moulding on the front was suitably worn, but there were no nail holes." Details of the circle from the hon. secretary, H. A. Smith, 99 North End Road, NW11.

The collectors' bible is *Footprints of Assurance*, by Alwyn E. Bulau, Macmillan, New York 1953, a few copies of which can be had at 35 dollars from Bill Hedges, 530 Cypress Street, Philadelphia, PA 19106, USA. For basic study there is John Vince's *Fire Marks* in the Shire Album series, 45p.

Saleroom

A SET of four Dutch paintings, respectively the Fish Market; the Fruit Market; the Poultry Market; and the Butchers Stall, were sold for £26,000 at Christie's yesterday. On top of this must be added another 10 per cent. in buyer's premium. The saleroom had expected much more modestly to get something in the region of £2,000-£2,500.

It was a classic case of buyers being more confident about the artist than Christie's, which had cautiously listed the set as "Valckenborch," meaning that in its opinion it was a work of the school, or by one of the followers of the artist, or in his style. It was the great excitement in a modest Old Masters' sale which totalled £80,432.

Elsewhere in the London auction rooms Phillips sold silver for £24,229, with a top price of £1,300 from Small for a Dutch fruit basket made in Amsterdam in 1770. Bonham's sold oriental works of art for £23,138. A pair of Chinese cloisonné vases and carved wood stands, estimated to fetch £400-£600, sold for £1,200 to Wilson and a Persian pen box almost doubled its estimate at £820.

ANTONY THORNCROFT

Entertainment Guide

OPERA AND BALLET

COLISEUM. LONDON FESTIVAL BALLET [illegible]

COVENT GARDEN. THE ROYAL OPERA [illegible]

SADLER'S WELLS THEATRE [illegible]

THEATRES

ADELPHI THEATRE [illegible]

ALBERY [illegible]

ALDWYCH [illegible]

AMBASSADORS [illegible]

APOLLO [illegible]

BROADWAY TH. [illegible]

CAMBRIDGE [illegible]

COMEDY THEATRE [illegible]

CRITERION [illegible]

DRURY LANE [illegible]

DUCHESS [illegible]

DUKE OF YORK'S [illegible]

GARRICK [illegible]

GLOBE [illegible]

GREENWICH THEATRE [illegible]

HAYMARKET [illegible]

HER MAJESTY'S [illegible]

KING'S ROAD THEATRE [illegible]

LYRIC [illegible]

LYTTELTON [illegible]

MAYFAIR [illegible]

MERMAID [illegible]

NATIONAL THEATRE [illegible]

OLD VIC [illegible]

PALACE [illegible]

PALLADIUM [illegible]

PHOENIX [illegible]

PICCADILLY [illegible]

PRINCE OF WALES [illegible]

QUEEN'S [illegible]

RAYMOND REVUEBAR [illegible]

REGENT [illegible]

ROUND HOUSE [illegible]

ROYAL COURT [illegible]

SAVOY [illegible]

SHAFTESBURY [illegible]

SHAW [illegible]

STRAND [illegible]

ST. MARTIN'S [illegible]

TALK OF THE TOWN [illegible]

VAUDEVILLE [illegible]

VICTORIA PALACE [illegible]

WINDMILL THEATRE [illegible]

WYNDHAM'S [illegible]

CINEMAS

ABC 1 & 2, Shaftesbury Ave. [illegible]

CAMDEN PLAZA [illegible]

CLASSIC [illegible]

CURZON [illegible]

EMPIRE [illegible]

LEICESTER SQUARE THEATRE [illegible]

ODEON [illegible]

PRINCE CHARLES [illegible]

SCENE 1, 2, 3, 4 [illegible]

STUDIO [illegible]

WARNER WEST END [illegible]

Higher Japan trade surplus forecast as car exports rise

TOKYO, April 23.

THE BANK of Tokyo said it has revised upwards its forecast for the Japanese trade surplus on a payments basis for 1976 fiscal year to $6.24bn. from $5.13bn., compared with $5.88bn. in 1975 fiscal year.

It also forecast a current account deficit of $847m., compared with its previous forecast of a $2.47bn. deficit, and a $102m. surplus in 1975 fiscal year.

The bank raised its forecast for Japanese exports in fiscal 1976 to $63.72bn. on a payments basis from its December prediction of $62.09bn. and compared with preliminary actual exports of $56.03bn. in fiscal 1975. Imports were forecast at $57.48bn., against $56.96bn. and $50.15bn. respectively.

It said steel exports should rise 12.6 per cent. in volume to 33m. tonnes, while steel export prices to the U.S., Western and Eastern Europe should rise 3.8 per cent.

Automobile exports will rise rise 8 per cent. to 2.97m. units, while prices will rise 7.2 per cent. to $2,540 per vehicle, the bank forecast. Shipbuilding exports will decline in volume by 7.5 per cent. to 14.8m. gross tons, but will rise 21.8 per cent. in price to $475 per gross ton, it said.

Exports of chemicals, electric home appliances, and industrial plant facilities will also increase, the bank added.

A strong increase in export sales helped Japan boost vehicle production 10 per cent. to a record 7.13m. units in fiscal 1975 which ended last month, the Automobile Manufacturers' Association said.

It gave no official sales figures, but at the Nissan motor company a spokesman said latest estimates within the industry show Japanese vehicle exports rose 15 per cent. in the year, to 2.96m. from 2.57m. the year before.

Meanwhile, a top-level delegation from the Confederation of British Industries headed by its chairman Sir Ralph Bateman, arrives in Tokyo this week-end for talks with leaders of Japan's powerful Federation of Economic Organisations (Keidanren).

The Keidanren said the fourth Japan-U.K. businessmen's conference would be held next Tuesday and Wednesday, and, according to diplomatic and business sources, the two sides will discuss the future structure of the world economy in a broad sense, as well as bilateral matters. Reuter

OPEC ends Geneva meeting

GENEVA, April 23.

OIL MINISTERS of the 13 member states of the Organisation of Petroleum Exporting Countries (OPEC) left to-day after two days of secret and heavily-protected talks on prices and production levels.

Swiss police escorts whisked the Ministers to the airport from the conference hotel, which had been turned into a virtual armed camp for the encounter. OPEC took over the entire La Reserve hotel on the outskirts of town, while Swiss security agents erected barbed wire on top of the surrounding walls and manned roadblocks at the entrance and exit.

Venezuelan Oil Minister, Sr. Valentin Hernandez Acosta, the only Minister willing to discuss the meeting with newsmen, said the main item was to fix a firm agenda for the next formal OPEC Ministerial session starting on May 27 on the Indonesia island of Bali.

Sr. Hernandez said that while prices were discussed, it could not yet be said what would happen when the current price freeze expires at the end of June. Firm decisions on pricing policies, as well as a possible transfer of OPEC headquarters from Vienna, will be on the Bali agenda.

The rigid security measures in Geneva were ordered because of the terrorist attack on the last Ministerial meeting in Vienna in December, when Ministers were taken hostage and three people killed—two Austrian security guards and an Iraqi official.

Some OPEC nations, particularly Saudi Arabia, have since been urging a return to Geneva, which OPEC left six years ago when Switzerland refused diplomatic status to secretariat staff. UPI

Storms delay Beirut Christian talks

BY MICHAEL TINGAY

BEIRUT, April 23.

MR. CAMILLE CHAMOUN, Minister of the Interior and chief of the right-wing National Liberal Party said to-day that the meeting of Christian leaders to decide on the election of a successor to President Franjieh had been postponed "because of the bad weather."

Rain and thunderstorms to-day however did not prevent another high toll of dead and injured yesterday after heavy shelling between the Shia Moslem quarter of Nabaa in the Christian sector of north-east Beirut and neighbouring Dora. Nabaa adjoins Qarantina, which was razed and bulldozed by Phalangists and their allies in January, and is the largest Moslem enclave remaining on the Christian side.

The Presidential decision had been expected to-day following the return from Damascus of two special envoys, Dr. Lucien Dahda and Mr. Selim el Khoury. But after a meeting to-day at Kfour, near the Christian port of Jounieh, between President Franjieh and the American special envoy Mr. Dean Brown, Mr. Chamoun announced the postponement of the Maronite summit.

Mr. Brown, who was due to fly to-day from Beirut to London for consultations on the Lebanese crisis with U.S. Secretary of State Dr. Kissinger, said after the meeting that he had no proposal to put to Dr. Kissinger or President Ford. He added: "The settlement of the Lebanese crisis is definitely Lebanese, though we are always ready to give our assistance."

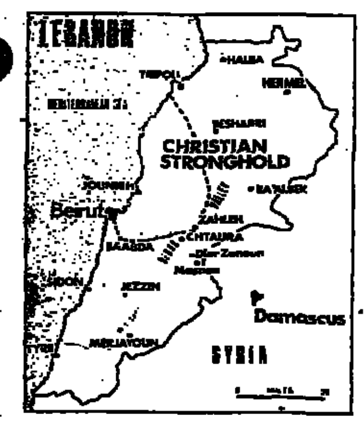
Meanwhile the situation on the ground deteriorated to-day after a day of relative calm. Fighting, which had never stopped in the port, continued with ferocity and Moslem forces were reported by observers in the battle zone to have advanced in the past 24 hours of house-to-house fighting.

Mortars and shells fell at the museum crossing point just before a convoy of petrol tankers was due to cross to Christian Ashrafiya in a "petrol - for - wheat" deal

UPI reports from Damascus: Jordanian Premier Zaid Rifai arrived here to-day on a previously unannounced visit, and immediately held talks with President Hafez Assad, Syrian radio said. Political sources said the visit was related to the situation in Lebanon, and Mr. Rifai was carrying an "urgent message" from Jordan's King Hussein to Mr. Assad.

Embryo state within a state

By Michael Tingay in Jounieh



LEADERS in the Christian segment of Lebanon are firmly and steadily imposing a separate government on the estimated 700,000 people there.

Last week Sheikh Bashir Gemayel, son of the Phalangist Party leader, announced the setting up of 18 committees to supervise the administration of the Christian area.

In Jounieh a fledgling postal service has been established using a travel agency as a clearing point prior to distribution from Cyprus. At the same time administartion of Jounieh port has been taken over by Christian Surete officials sent up from East Beirut.

In Kaslik, above Jounieh, a monk at the University of the Holy Spirit, the philosophical and political think-tank of the Maronite Christians, explained "we have had to put in a substitute for a non-existent government." He said a central committee representing all the Christian factions met regularly in a place he would not disclose, dealing with the basic necessities of public services and co-ordinating the administration of the Christian area.

But the drive to establish government and law and order in an eclave within a country ruled only by the gun, is being carried out in a grim atmosphere in the mountainous redoubt. It covers less than 1,000 square miles of mountain and costal strip north of Beirut.

Partition, which a few months ago was something to menace the Muslim side with, has become a manoeuvre gone out of control. It is not proving to be of advantage to the Christians.

The redoubts for five weeks has been blockaded. Food shortages have sent prices rocketing. Black market petrol costs 10 times the usual price on the rare occasions civilians can buy it.

The very Christians whom the right-wing leaders want to govern are slipping away by boat to Syria or Cyprus in numbers which have alarmed party chiefs. An estimated 5,000 people have emigrated from Jounieh since January. Sheikh Bashir Gemayel has said that a new law banning emigration of Lebanese aged 15-50 would be strictly enforced.

In Jounieh harbour eight coasters, some Lebanese and some foreign, could be seen at anchor. They bring in supplies and probably arms and ammunition, and provide the means of escape for the steady stream of emigrants.

While Christian committees discuss juridical and economic theories, the de facto state has already shrunk to half the size of the *petit Liban* proposed in the 1920s, itself one third the size of current Lebanon.

The redoubt has no oil, no refinery and no port big enough for importation. For electricity there is one diesel fuelled station south of Jounieh. There is no agricultural production to speak of save fruit from the mountains. There are textile and aluminium plants and a big steel plant at Amshit but all depends upon imports.

But immediate economic viability or otherwise is less important than political considerations. If the Muslim and Arab side agreed on a Christian state, economic problems could be overcome but independence would be unviable without political support.

Carter's economic policy bids for middle ground

BY DAVID BELL

PHILADELPHIA, April 23.

MR. JIMMY CARTER, the current front runner for the Democratic Presidential nomination, this morning unveiled his economic policy which puts much of the emphasis, as his rivals have, on the need to reduce unemployment.

The former Georgia governor, who is campaigning hard in an effort to build up a commanding lead before next Tuesday's Pennsylvania primary, said that the major goal of his administration would be to reduce unemployment from its present "unconscionably high" 7.5 per cent. to about 4.5 per cent. by 1979.

But he made it clear that he does not favour all the "job creation" proposals that have been advanced by his rivals, and his economic position paper clearly aims for the middle ground between the more conservative policies of President Ford and the much more liberal position of Senator Henry Jackson, his major declared "Democratic opponent."

Mr. Carter, who was flanked by members of his economic advisory panel, including the chairman-elect of the American Economics Association and professors of economics from Yale, Harvard and MIT, said that he believed that with an annual growth rate of between 4 and 6 per cent. he budget could be balanced by 1979.

Although he criticised the Federal Reserve Board, which other candidates have severely censured for intensifying the recession with tight money policies, Mr. Carter did not call for the abolition of its independence. Rather, he said, its chairman should serve for the same four years as the president, and the Fed should play a much more co-operative part in formulating the country's long-term economic policy. It was imperative that fiscal and monetary policies should be much better harmonised than they have been in the recent past.

Meanwhile the latest New York Times poll shows that Mr. Carter and Senator Hubert Humphrey, who has still not declared that he is even a candidate, are considered by most Democrats to be the only two people left with a chance to win the party's nomination.

Rhodesian reservist shot

A WHITE Rhodesian police reservist, Mr. William McFarlane, was shot and wounded in the chest by guerillas in south-eastern Rhodesia yesterday. Official sources said he was taken to Salisbury's Andrew Fleming Hospital, where his condition was reported to be satisfactory.

Mr. McFarlane was shot during the massive manhunt for guerillas in the area, who shot and killed three South African tourists last Sunday and wounded a White farmer on Wednesday, Reuter reports.

Luanda arrests

THE MPLA regime in Angola is planning to put at least 20 intellectuals arrested over the past 10 days on trial, according to reports reaching Lisbon, Paul Ellman writes. The accused, who could face the death sentence, are associated with the "Revolta Activa" (Active Revolt) group which favours a more radical policy than the Government.

The clamp-down on Revolta Activa is understood here to result from growing disillusionment at the Luanda regime's failure to ease itself from the grip of its Soviet and Cuban sponsors, who ensured its victory in the recent civil war.

U.S. initiative

REPUBLICAN Senator Jacob K. Javits, of New York, one of Israel's most influential supporters in the U.S. Congress, said in Tel Aviv that the U.S. may soon offer Middle East "solutions" of its own if the diplomatic momentum is not resumed, our correspondent writes. Mr. Javits was reported to have told Prime Minister Rabin that the American initiatives could be put forward within a year unless Israel herself proposed new options.

'No devaluation'

Rumours of Australian dollar devaluation were firmly denied in Perth yesterday by the Prime Minister, Mr. Malcolm Fraser, our correspondent writes. Asked to allay fears of devaluation this year, he replied: "We have said quite plainly we are not contemplating devaluation. There's no doubt about this."

INTERNATIONAL COMPANY NEWS

Earnings rise at Exxon

BY JAY PALMER

NEW YORK, April 23

EXXON, the world's largest oil company, this morning reported a sharp 22 per cent. rise in its first-quarter 1976 earnings. However the gain, which on the face of it lifted earnings per share to $3.26 from $2.67 last year, came only after exceptional foreign exchange profits.

The huge oil company reported world-wide net income of $730m. versus $596m. but these stated 1976 and 1975 returns included respectively $84m. of net gains and $108m. of net losses (1975) from the translation of foreign subsidiaries assets and liabilities into dollars.

Allowing for these exceptional items — the gains this quarter coming from the weakness of the Italian lira and British pound against the dollar — and the negative impact of a recent accounting change, Exxon's operating net earnings appear to be about $700m. against $704m. last year.

In a breakdown of the growth after exceptional items, Exxon said that net income from U.S. oil and gas operations rose to $328m. from $216m. while returns from other Western hemisphere operations fell to $38m. from $108m. Eastern hemisphere net income jumped from $195m. to $305m. while returns from worldwide chemicals effectively remained unchanged.

Although the oil company refused to comment on the individual performance of these sectors, it seems evident that the U.S. leap forward reflects not so much new growth as a marked and expected recovery from the depressed period of last year. Gulf Oil, in ITY recent figures, also went strongly ahead in the U.S.

The other Western operational fall almost certainly can be attributed to the Venezuelan setback. It seems probable that virtually all of the currency gains can be attributed to the Eastern hemisphere. Taking out currency profits this year and adding back last year's losses in this category would leave profits well down (about $221m. against $302m.)

Esso results Page 24

NCR sales decline

First quarter revenues at NCR Corporation totalled $471m., compared with a 1975 $479m. Reported net income was $13.2m. compared with $20.8m. the previous year.

* * *

American Brands reports an increase in turnover for the first quarter from $948m. to $1.02bn. Net earnings per share improved to $1.4 ($1.2).

* * *

Net income of the Singer Company for the first quarter was $15.8m., compared with a restated loss from operations in 1975 of $3.1m. First quarter sales rose 5.6 per cent to $553.1m.

* * *

Trading in Bols has been suspended according to the Amsterdam Stock Exchange.

FINANCIAL TIMES REPORT

Saturday April 24 1976

Cycles and Motorcycles

It was largely the effects of the oil crisis that hoisted the motorcycle industry out of the doldrums into which it had fallen at the start of the 1970s. The market, both for motorcycles and for cycles and mopeds, is expected to remain healthy for several years.

Europe begins to fight back

By Terry Dodsworth

ONLY A few years ago the motor cycle industry seemed down and out in Europe. There was a hard core market of enthusiasts and there were steady sales to young people who for legal or economic reasons could not buy a car. But growing affluence had brought motor cars within the range of much of the motor cycle industry's traditional market. And with this fall in demand went the accelerating decline of the European manufacturers.

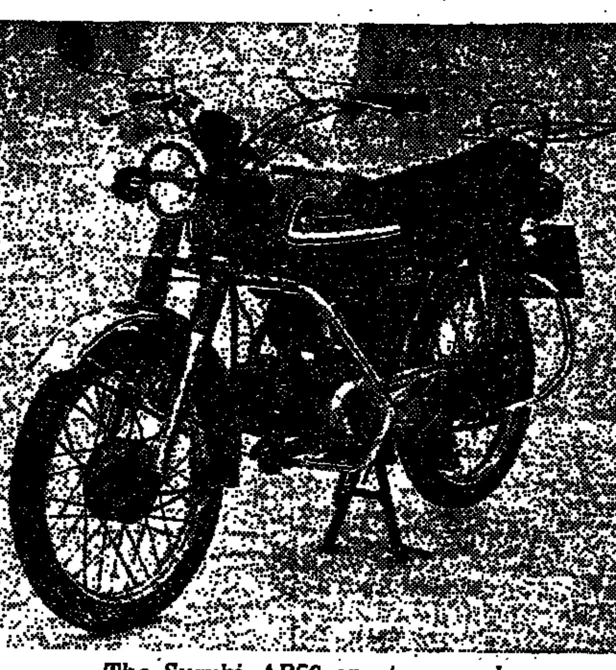
The remarkable recovery that *motor cycling has staged in the* last few years took off in the latter months of 1973, when it became clear that a fundamental change in the structure of oil pricing had occurred. But even before this, sales had begun to climb back encouragingly from the low point reached in 1969, when registrations were only 85,500.

The figures suggest that there is a reservoir of demand for motorcycles even in an advanced, developed society like Britain. In the latter part of the 1960s, many of the pessimists in the industry did not believe it: motor cycles, they argued, like the Beetle motor car or the push bike, were suitable only to a certain stage of economic development: when that was passed people would graduate onto cars and stay with them.

This argument was disproved by the success of the Japanese manufacturers in expanding their sales from the developing countries of South East Asia to the U.S. and Europe. What they showed was that clever marketing, combined with improved production techniques, could create a demand above and beyond the enthusiasts' fringe. The *marketing tactic—developed* particularly by Honda—was to stress the cleanliness, simplicity, economy and ease of use of the modern motorcycle. The improved production engineering and design of thes vehicles have given added momentum to these claims by delivering motorcycles with a high standard of finish.

By contrast the European industry has retreated into the semi-gimmickry of the world of superbikes. Instead of attempting to cover anything like the full breadth of the market, companies like Norton and BSA in Britain, BMW in Germany and *Moto-Guzzi-Benelli in Italy*, gradually came to concentrate all their production at the upper end of the power range. The idea owed a lot to the marketing concept, developed in the car industry, of creating a quality marque which could command better margins to compensate for the higher specification and cost of production.

The idea failed to save NVT, *the final result of several defensive mergers*, during its crisis last year. Despite the injection of Government finance, the company foundered amid mutual recriminations from the management, the Government and some of the workers. The Government and the company both claimed that the other had vacillated on how the new business should be organised. The company also claimed that the Meriden co-operative, formed with the help of the Government after a sit-in at one of the NVT factories, had emasculated its reorganisation plan, with a disastrous effect on its funds in the vital early months.



The Suzuki AP50 sports moped.

Drama

The end result of last year's long drawn out drama over NVT is that Meriden remains the only sizeable manufacturer of motor*cycles in Britain. Most of the* former NVT factories are in liquidation, while a very small operation is going into moped production. There are possibilities that NVT itself will be rescued by a new private consortium, and meantime Meriden is investigating the possibility of collaborating with the Italian company Moto-Guzzi Benelli on a new 125 cc. machine. Other *than that, there are only one or* two small concerns, like Silk at Derby, in Britain.

Both the Norton Villiers moped and the Meriden 125 machine are tardy attempts to fight back against the Japanese in a market which they have made their own. Europe still has some sizeable moped manufacturers—Peugeot has a subsidiary, Puch in Austria has a very strong export business, and there is *Batavus in Holland*—but the small bike business is now totally dominated by Japanese products.

In the Italian industry this has led to strenuous attempts to beat back the tide against the Japanese. *Behind these is the* Argentinian entrepreneur, Alessandro de Tomaso, a former racing car designer who has recently taken over the Maserati car company and *also* runs Moto-Guzzi Benelli. De Tomaso has brought a passionate enthusiasm to bear on his objective of winning back for Europe a larger share in the motorcycle market, and one way in which *he believes this can be achieved* is through joint ventures like the one with Meriden.

Joint ventures, in fact, may feature more significantly in Europe over the next few years just as they are beginning to do *in car and truck manufacturing*. The arguments for following this policy are well-rehearsed. Europe is becoming a more homogeneous market, traditional *national* buying patterns are breaking down, and economies of scale are demanding larger production runs. In Japan, for example, Honda has a production capacity of about 2m. machines a year. Apart from the proposed link between Meriden and Moto Guzzi, the new NVT machine will use *mainly components manufactured* on the Continent.

For the more distant future, the main interest at Meriden and NVT is how they will face *up to the superbike market*. There is a suggestion that Meriden, now making the Bonneville and Tiger 750 at the rate of about 300 machines a week, will *develop an arrangement* to work with NVT on a 900 cc machine.

There is doubt, however, about the prospects. The superbike industry is becoming increasingly competitive. Apart from the large British machines, Harley-Davidson in the U.S.A., Benelli in Italy, and BMW in Germany have all developed international businesses catering *for this market*. And now the Japanese manufacturers have come out with their own competitors.

In particular, Honda the largest motorcycle manufacturer in the world with immense *strength in light commuter* machines, has entered the heavy sector with a new 1,000 c.c. model called the Gold Wing, driven by a shaft, like the BMWs, rather than a chain. This machine, priced below *most of the European competition*, has already received a great deal of attention since its launch last September, and will provide stiff competition for the European marques. It is being sold even in Germany, where enthusiasts have been heard to comment favourably on it in comparison with their own domestic products.

Superbikes are regarded mainly as leisure vehicles, designed particularly for customers who are able to pay between £1,500 and £2,000. In the U.S. they sell to people who want to use them as second or third vehicles rather than buy*ing another car, and who enjoy* the freedom and speed available on two wheels: fast superbikes have better acceleration than even the best supercars.

The sector of the market that grew most rapidly last year, however, was for commuter vehicles — mopeds and small machines between 50 cc. and 150 cc. This growth was clearly a response to the higher fuel prices, many people preferring to invest in a small motor-cycle for their routine journey to work while keeping their car for the week-ends. Financially, apart from the petrol considerations (and a 50 cc. machine will do 200 m.p.g.), the inducements *are considerable*. Insurance terms are low, hire purchase can be extended over three years, road fund licences are only £8, and a 125 cc. machine *can be bought* for less than £200.

There has been some question about the continuing growth of this sector. So far this year the moped market has *retreated* from the levels achieved last year. But most of the leading manufacturers are investing heavily in the commuter market, convinced that a further round of public transport fare increases will help it to retain its vitality.

Effort

Honda, for example, is introducing a new machine, Kawasaki will be making its biggest effort in this sector this year, Suzuki is already well represented, and even Cossack, the Russian manufacturer that *specialises in motor-cycle combinations*, will be selling a 125 cc. model this year.

The growing interest in alternative forms of transport to the car that has been sparked off by the troubles of the motor-car *industry has overlapped into the* British pushbike industry, which enjoyed a highly successful year in exports in 1975. Once again, it seems that this is a business that has turned the corner, and, unlike the motorcycle industry, the U.K. *stands* to benefit because it has already been substantially rationalised under the banner of Raleigh.

Further growth for pushbikes is expected this year, although whether the motorcycle indus*try can exceed its impressive* sales of last year is another question. Whether or not that target is achieved, however, there is no doubt the market will be healthy, with every prospect of remaining so for several years. The picture *could not* be more different than at the end of the last decade.

Terry Dodsworth

Makers mount service and cost drive

IT IS one of the curiosities of the automotive industry that cars have virtually always been sold through exclusive franchises. This is not true of motorcycles. Like the local confectioner or tobacconist, motorcycle showrooms usually stock a great variety of products. The customer is offered a choice without having to walk down the High Street to look over the competition.

The difference probably works to the advantage of the motorcycle dealers, who are offered all kinds of inducements to sell one particular product as against another. Dealer competitions with generous prizes are lavished on the industry much more than in motor car distribution but, more importantly, from the customer's point of view, it has led to keen competition to improve the product. This has meant a swift development over the last decade of items like disc brakes, indicator lights, and electric starters.

At the same time, the *industry has placed increasing* emphasis on service. This concept has been largely imported by the Japanese who, as in the car market, have spearheaded their drive into Britain with an emphasis on quality and reliability. To-day, a good motor*cycle showroom is generally* backed by a spotless service department.

Repeat

The quintescence of this approach is represented by the Honda 5-star service, launched last year with the express in*tention of persuading customers* to come back for repeat purchases. The object is to appoint about 200 dealers committed to the plan around the country, *each equipped with a minimum* of £5,000 worth of diagnostic equipment. At a time of burgeoning growth when it is *not easy* to hire skilled motorcycle mechanics, the success of such a scheme would clearly mean a lot in the market place.

Kawasaki, the newest of the *Japanese entries to Britain, has*, however, followed an entirely different course. It is the only large-scale manufacturer to have remained exclusive in its *franchise arrangements*. This will probably mean that the company will be unable to achieve the breadth of representation now available to some of its rivals. Honda is heading into the range of 1,000 outlets, and Suzuki and Yamaha have about 500.

Indeed, the main reason for Kawasaki's policy appears to be the conviction that this is the *way to improve service and* back-up for the product. The eventual aim is to have about 100 dealers in Britain, and it has expanded swiftly from *about 30 early last year to 60* to-day.

The other main area of attack has been through price. This has been one of the most effec*tive weapons in the Japanese* armoury, used consistently over the years, as in the car industry, to establish a foothold in the market. In the view of the Boston Consulting Group, which carried out the Government-sponsored investigation *into the motorcycle industry* last year, the Japanese companies have in several cases been prepared to take a loss for a considerable time in pursuit *of their long-term interests*, and most new models are very keenly priced.

For example, when Honda introduced its 1,000 cc Gold Wing model last year in Britain to compete in the top "superbike" sector of the market, it was priced well below the equivalent BMWs and Benellis.

Price has been used in a similar fashion by Cossack, the Russian producer that recently entered the British market, with a range of motorcycle combinations and small to medium-sized machines. In a similar fashion to East European cars since they began coming into Britain in quantity two or three years ago. Cossack has shown that relatively unsophisticated vehicles can establish a niche in the market, provided they are sold at a sufficiently competitive price. Already East European manufacturers are reckoned to have a 7.5 per cent. market share (excluding mopeds) in the U.K. — against NVT's 2.5 per cent.

Leisure

Price has not been reckoned to be quite so important at the *upper level of the market*, dealing with the big "Superbikes" over 750 cc. Many sales of these machines costing, at £1,500 to £2,000, as much as a small car, *have been to reasonably* well-to-do customers who use them as leisure vehicles. There is therefore less price sensitivity in this sector than with the smaller commuter motorbikes, and manufacturers have concentrated on establishing an up-market prestige image.

BMW, for example, has made great play with the *appeal* of its products to successful entertainers, while stressing the quality of its vehicles. High prices have been used almost as a sales point, as *in* Rolls-Royce cars, to emphasise the exclusivity of the product.

Honda's advertising, on the other hand, has provided a classic case of the development of a new image for an industry. No one in the motorcycle business doubts that the way in which Honda took the old view of motorcycling as an activity only for the enthusiast, and turned it around to present motorcycles as a modern, clean and efficient way to travel, has had an immense influence on bringing new, conquest sales to *the industry as a whole*.

This approach, of course, has *suited* Honda's particular product line-up which spans the whole range of machines, but is especially strong in the small commuter bikes of between 50 cc. and 150 cc.

Suzuki, highly impressive in competition bikes, has been increasingly successful in establishing a similarly wide appeal *since it was taken* on by the Trojan Group, and then the Heron Corporation, after a somewhat chequered earlier career. The Suzuki franchise is unusual among the Japanese concerns in being owned by a British-based company. Honda tried this for a *time* but took on its own distribution in the mid-1960s, and the others are also Japanese controlled, Yamaha through the Mitsui trading company.

Given the range of acceptable vehicles at their disposal to-day, dealers have only had two serious worries over the last year or so. One has been inflation, although at an average 25 per cent. increase last year, prices rises were not as dramatic as on some motor cars and were about in line with the general inflationary trend. But the slide of the pound against the yen is causing some difficulties.

The other area of anxiety has been the flood of new dealers entering the business because of the obvious attractions of a growth market. The established motorcycle *dealers believe that* many of these new entrants—mostly from the motorcar trade—are paying far too little attention to the after-sales service on *which the industry depends for* its long-term reputation. Older dealers have also faced a considerable amount of cut-price marketing. On the whole, however, with a market expansion of about 45 per cent. last year, and hopes of at least maintaining the level of business this year, no-one really has very *much to grumble about*

Terry Dodsworth

·ycles: untapped potential

·YCLE INDUSTRY have begun a slow in from the devastat- truck by the sudden of the American empestuously blown me. of those crazes dically whirl some n rags to riches, the ·le market started the early 1970s. In stic sales, largely of sports machines, The following year had rocketed to 14m. 73 the 15m. barrier broken—almost two every one car sold. mmer of next year emed to be heading but then in three ed up and sales fell 3m. Last year they down to 8m. This are signs of a hich, if it continues, 1m. sales.

the golden era in ost major suppliers expanded capacity. collapse they were loated stocks which ged short time, often d by redundancies, wn to more normal . Like the motor tries, the bicycle of the world have acity to meet pro- e demands. Whether ufacturers exported , all were caught up ercussions, for the esult of chopping off around 7m. bicycles atic search to find markets.

ations

e the U.S. market ry much more diffi- in and out of quickly quick boom. Tough lations come into y. These should tilt e of advantage to- g-term. traditional to the U.S. like dustries — the Tube s subsidiary which · is responsible for per cent. of the exports of bicycles.

erican agency that consumer protection C — has introduced and quality require- set new high stan- ong other things in a 60-page document are the requirements to have reflectors in front of and behind the brakes, the angle of which are precisely controlled. Nor must they be capable of being damaged if the bicycle falls over. Recommended tyre pressures must be moulded into the tyres, requiring expensive new tyre moulds.

Some cycling States have added, or are contemplating adding, to the federal regulations. Thus New York stipulates a reflective strip on the tyres as well as on the wheel. But the real bite is in the paragraphs that say that if just two bicycles are found not to conform to any of the standards all similar models must be withdrawn from the market, even if all would have passed the test.

These regulations, besides favouring traditional suppliers also should favour those who sell through established dealer networks. Two out of three machines are sold through mail order and department stores where, it is felt, there can be less control over quality and safety standards than can be exerted through dealers.

Trusty Manufacturing, the Cope Allman International subsidiary at Bilston (Staffs), welcomed the regulations, as did other U.K. bicycle manufacturers. "It is a good thing that everyone should be faced with the fundamental responsibility for meeting standards of safety and quality," Mr. Ken Chambers, managing director said. "The regulations will chase out the rubbish to the advantage of the U.K. exporters."

In spite of events across the Atlantic, the industry still managed last year to notch up a new export record of £50m. worth of bicycles, components and accessories. The passing of this financial milestone owes something to inflation, of course, but even so some 30,000 more machines were sold overseas last year than in 1974, to bring the total to 0.94m. The bicycle element was worth £25m. (against £20m. in the previous year), so that just about half the industry aggregate was contributed by component and accessory makers.

As a vertically integrated manufacturer making some 75 per cent. of the parts it needs — it has just put its components division under the well known Sturmey-Archer banner—Raleigh Industries has also handsomely contributed to the results. But because it is vertically integrated and represents all but a relatively small section of the market, component suppliers with an eye to the future have to seek their fortunes overseas.

Ability

That they are doing this so successfully speaks for their ability to compete. One leading component maker, for instance, has been slightly taken aback by an unexpected increase in business with Taiwan, Singapore and other competing countries in that part of the world. Since they have reputations for cost cutting, of being among the most feared rivals, the head of the company is undertaking an on-the-spot survey before moving on to more customary markets.

At the other end of the scale Raleigh is making a determined bid to breach the French market, probably the toughest in Europe. A nil market in 1974, France was made to yield 7,000 sales last year. This year the TI-Raleigh racing team, now in its third year, is being backed with £200,000 and is being entered for the first time in the prestigious Tour de France race. The coverage this gets throughout Europe and beyond should help Raleigh to higher sales, even if it cannot manage an outright win.

It is also pushing ahead in Nigeria, whose oil riches have helped to double the bicycle market in the past two-and-a-half years. Its Kano factory, which last year supplied just over 10 per cent. of the Raleigh's 300,000 sales in Nigeria (from Kano and the U.K.) is being expanded to produce 90,000 units and there are plans for another major increase, together with a broadening of the range of components made there.

Iran is another oil producing State providing a growing market for bicycles—60,000 last year, twice what it was two years ago. Another encouraging event has been the re-opening of the Egyptian market, closed for the past ten years. Imports are now being allowed in again if they are externally financed, and Raleigh is putting in an initial 6,000 machines. These are among the more heartening signs of a turnround in markets.

The signs in the home market are less reassuring. After sagging in 1969 demand began to pick up and after growing at around 10 per cent. annually last year shot ahead by 15 per cent. to 1.1m. bicycles, the first time the 1m. mark has been reached for a decade. Inflation and the pay pause appeared to be working in the industry's favour, and at last it seemed as if the seasonal pattern of sales peaking at Christmas and Easter was being broken by more evenly distributed sales. But Christmas demand failed to live up to expectations and since then sales have so slackened that there seems only small prospect of the million being hit again.

There are thought to be more than 14m. bicycles being ridden regularly or stowed away in garages and sheds awaiting warmer weather. Of these fewer than half — possibly not more than 5m. to 6m.—are everyday commuter transport, though the number is hard to judge, since higher bus and train fares, as well as more costly petrol, have probably made converts to two-wheel transport.

Certainly there is plenty of potential to go for when compared with Holland, which has the highest bicycle density of over 90 for every 1,000 inhabitants. West Germany has 45, France has 34, while the U.K. has only 20. But whereas four or five years ago two in three machines were bought for children and teenagers, adults now buy half the machines sold. Not, it should be noted, all from U.K. factories by any means.

Imports from Eastern Europe, at very competitive prices and of good quality, and from the Continent and elsewhere have been growing steadily, and the market will be closely watched to see whether sales of imported machines tail off as they have done for domestic manufacturers. Last year imports reached 275,000 compared with 197,000 in 1974, and at this rate could pose a threat similar to the kind the car producers have had to face. However, while marketing could be strengthened, the basic defences of competitive quality and design are very strong, though not sufficient to ward off deliberate undercutting.

Having been faced with new regulations if they are to survive in the American market, a number of leading British manufacturers are arguing in favour of similar regulations here. "Our aim, and our claim," said one, "is to make the best bicycles in the world, for the world" and we cannot afford to let the cheap and nasty in through the back door."

Peter Cartwright

Little evidence of reformatory zeal

ANYONE NOT conversant with developments in motorcycle design might be forgiven for believing that nothing had changed much since they went out of fashion in the early 1960s. They still look superficially the same—brighter, more garish, heavier looking and more festooned with fancy trappings, perhaps, but still clearly based on the same ages-old mechanical concepts as the models of 20 years ago.

Eppur si muove ... The things *are* getting better. One improvement above all others has allowed the motorcycle to climb out of the social opprobrium into which it fell 15 years ago: it no longer has to be kicked to make it go. The Japanese, notably Honda, introduced the electric starter (also about 15 years ago) and at a stroke made possible an approach to a fresh set of customers. The terrors of starting—and the greater terrors of stalling in heavy traffic (did you ever wonder why riders kept blipping their throttles in the old days?), no longer confine motorcycling to the hale and hearty.

Modern electrickery has brought other boons. Instrumentation is clearer, tell-tale lights abound, electronic ignition and digital gear indicators and halogen headlamps have refined what used to be crude electrical installations.

However, the emphasis is as it has always been, mostly on the *motor* at the expense of the *cycle*; and engines have improved out of all proportion to the other few signs of progress. Again it was Honda who started it, with engines based on tiny cylinders that were simply multiplied to make engines of more conventional capacities. They proved their point in racing, promulgating their findings in technical papers to learned societies all around the world: tiny cylinders, and four valves instead of the conventional two to each cylinder, allowed astronomical rates of crankshaft revolution, and all the problems of the piston engine disappeared beyond 10,000 revolutions per minute. Micro-cylindered multis with four, five (!) or six cylinders gave phenomenal power and yet refused to pink on low-grade fuel, ran more smoothly than the lumbering and vibratory British behemoths of an earlier generation, and sounded quieter and more tuneful. Effective silencing, once the preserve of BMW, became commonplace: with it motorcycles became acceptable in any place.

If all this was true of the four-stroke engine, the two-stroke was having its own treatment. A new branch of engine technology, leaning more on acoustics and gas dynamics than on rude mechanics, spread from a clever East German named Kaaden, by way of an assistant who defected to the west by going east, where first Suzuki and then Yamaha developed it further. The two-stroke, once doomed to propel scooters and lawnmowers, suddenly became a thing of furious power and frantic passions, of mettlesome temperament and dipsomaniac thirst. For a long time the two-stroke has prospered, but the signs are that it will soon go into a decline: its exhaust is filthy, its lack of flexibility such that a five-speed gearbox is a bare minimum and six speeds are often necessary, while its fuel consumption is so absurd that some lightweight but fast two-strokes can run dry between one M4 service area and the next. It is no wonder that both Yamaha and Suzuki are turning to four-strokes, recognising the fact that all their two-stroke technology was misdirected. More debatable is whether the Wankel engine, tried tentatively in a few current models, will prove more popular because of its mechanical smoothness.

Not all the advances of the 1960s and 1970s came from the east. Disc brakes and high-performance cling-rubber tyres came from Britain, and supercilious motorists who suppose their cars to be streets ahead of motorcycles in every kind of technology may well recall that the first modern wet-grip tyres were made by Avon for the racing motorcyclists of the 1950s. Dunlop have continued this good work and added their own contributions to tyre shape and construction: new fast-cornering profiles, water-clearing tread patterns and fatigue-resistant carcass cords—even a belted rear tyre for the really powerful machines—have kept them in the lead throughout the last decade. Disc brakes came from cars (which copied them from aircraft) and were first properly developed by some of the smaller and more specialised British firms, such as Dunstall; but almost inevitably it was Honda which confirmed the trend with a big hydraulic disc brake on the front wheel of its 750 cc four-cylindered model of 1968.

The latest heirs and successors of that Honda, which was not the first but certainly the most definitive of what were to become known as superbikes, give us to-day a taste of what may become common in the future. Shaft drive, hitherto considered too costly for any but the most refined and up-market machines such as the BMW and Guzzi, is on the verge of popularity among the mass manufacturers, with Honda and Yamaha both making it a feature on their latest tourers. The traditional chain drive is cheap in the first instance, but it is messy and incapable of enduring the punishment to which it is invariably exposed. It is a wonder that the change has taken so long to be brought about, and that only a few severely practical lightweights from Eastern Europe have even had the decency to shroud their chains from grit and weather; but there is not much reformatory zeal among motorcyclists.

That is why there remain so many sorely needed improvements that could be made now but which will probably have to wait longer. In time the outrageous aerodynamic crudity of the naked motorcycle, with a wind-blasted rider sitting up on top of it and hanging on grimly, will be cured by the adoption of simple smooth all-enveloping streamlined fairings, which may be made structural as car bodies are, instead of the bicycle being more or less held together by a ramshackle chassis made of bent tubes. In time the old wire-spoked wheels will all disappear, and leak-prof substitutes (not necessarily the fancy cast aluminium one of to-day's fashion) will allow tubeless tyres to be fitted. In time the tyres may be made broader and enabled to put more rubber into contact with the road, to reduce stresses and improve grip as has been done so successfully with car tyres in the last ten years. In time we may even see the conventional old ordinary bicycle steering head, engineering monstrosity that it is, give way to entirely different systems of suspension and steering that will at last rid the motorcycle of the structural anomalies and navigational hazards that have always made it a slightly forbidding, if none the less enthralling, means of travel. We may even see—and if we do, it will be thanks largely to Britain's TRRL and firms such as Dunlop and Mullard—anti-lock braking systems that will free the rider from the fear of the front-wheel skid that goes before a fall.

Prosperity

These are promising trends, made possible by the new prosperity and confidence of the motorcycle industry on the Continent and in the Far East. Whispers from within the industry suggest that it will not be long before some of these long-overdue revisions are embodied in production motorcycles. There is no doubt that they are feasible: they, like every other development discussed (excepting only the electronics), have all been seen in various clever but commercially ill-fated motorcycles of the distant past, in the years between 1911 and 1938. Motorcyclists, like horsemen, are shockingly conservative.

L. J. K. Setright

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Crisis of no confidence

THE FURTHER sharp fall in the sterling exchange rate which took place on Thursday morning—and which caused *both equity and gilt-edged prices* to drop sharply later in the day—came as an unpleasant and almost complete surprise. The Bank of England reacted promptly by letting it be known that minimum lending rate would be raised by at least a point yesterday, and it rose in fact by 1½ per cent. *That gamble* (for one can never be sure in such a situation whether the market will react perversely) was initially, at least, successful and the exchange rate moved up again.

But this rise in interest rates is both contrary to official policy and unjustified by the internal economic situation. It has been *forced on the Government by* the weakness of sterling, and in the present mood of the foreign exchange market its effectiveness could soon wear out. The economic news recently has been reasonably good. Special factors may have helped, but the latest trade *figures and the latest index of* retail prices were good enough to justify the expectation of some improvement in sterling. Yet the market disregarded these, preferring to regard the proceedings at the Scottish TUC (which it got wrong) and a small strike as further reasons for getting out of sterling.

Interest rates

This is a crisis of no confidence, *in which* rational considerations like the relative level of interest rates have only a secondary part to play. Holders of sterling have yet to be convinced that the Government is able to carry through a policy which will cut the rate of inflation to a tolerable level, *and no amount of optimistic* statements by the general secretary of the TUC will carry that conviction. It is firm statements from the Chancellor and the Prime Minister that are needed.

It was clear, as soon as the Chancellor announced his offer of tax cuts in exchange for a *lower ceiling on wage increases* in the next stage, that sterling might be in trouble for a short time: there would have to be a period of negotiation and then a special congress of the TUC to confirm the bargain, and during that time overseas observers would be carefully watching for signs that the negotiations might fail. What has happened, in fact, is that the negotiations have got under way extraordinarily slowly — they have not yet reached the stage *of discussing matters of detail* — and it has come to seem correspondingly more likely that an agreement will be reached, but at a cost in concessions to the TUC that will prevent the Government from hitting the target for which the negotiations are said to be designed.

Spell it out

This impression has spread *all the more* because Ministers have not spelt out in public the seriousness of the economic situation—which seems to be much better appreciated abroad than by TUC leaders at home—and the limited scope for making concessions to the TUC point of view. The Chancellor *did issue a warning in his* Budget speech that he would be forced to take remedial action if the money supply were to rise too fast, but this was too obscure to attract much attention. What he and the Prime Minister should now say, and say loudly, is that if the TUC asks for too *much, they can be given it only* at the cost of an increase in unemployment for their members, and that at a time when the rise in unemployment seems to be levelling out at an unusually high figure and many people have now been out of work long enough to begin feel*ing the real pinch.*

This will happen in two ways. In the first place, the competitive advantage gained by the falling exchange rate—which will, in any case, worsen the balance of payments initially because of the higher cost of essential imports—will be wiped *out if wages and costs rise too* far. In the second place, the Government would be forced to react by cutting public expenditure to an even greater extent than will in any case be necessary as the economy picks up. *It is not only the leaders of the* TUC but individual union mem*bers that the Government has* to win over. It is time for Ministers to interrupt the present minuet by making the seriousness of the economic situation clear to everyone and spelling out the consequences of ignoring it.

Two of Britain's best TV sellers overseas. Scenes from ATV's "Edward The Seventh" (left) and the BBC's "Dad's Army" series.

British TV now a better buy than Kojak

BY ARTHUR SANDLES

FRANCE COMPETES with Italy for the doubtful honour of having perhaps the worst television service in the industrialised west. It is therefore somewhat piquant that the world's most important television material market is held annually in France. Perhaps it is the alternative attractions of the market's venue, Cannes, which make it such a popular choice.

The difference between the film festival and the television *market is that, in commercial* terms, the television market is *considerably more important.* Internationally television is *rapidly outpacing the film business* as an industry. In Cannes *this week-end you will see many* more cheque books than starlets.

It might therefore be thought refreshing that as Britain's importance in filmdom has slipped considerably over the years, our role in television has increased considerably. The U.K. may well have passed the U.S. as the world's major source of non-film television material which means that Britain has a £30m. export market. The next *few days will have a significant* influence on whether the present upward trend is to continue.

The quality of British television is not the only reason why the U.K. is riding high at the moment. TV channels throughout the world have been hit hard by inflation, and some of them have had problems with advertising *revenue or state* support. This means that they are less and less able to invest in their own prestige productions. It seems to be a problem common to Moscow and Manhattan, Romania and Rome. *Many stations and networks* have decided that the best thing to do is to concentrate such resources as are available locally on local programming, and to leave the big stuff such as drama series and variety shows, to imports.

In fact there are only two major sources for such material —Britain and the U.S. This is because of the language and of *the way in which television is* structured in both countries. Importers prefer English language material, or Anglo-American culture material, because it is much more easily accepted by their own audiences. *The film world has al*ready prepared the way by *making audiences the world* over understand American humour, British accents, and the mid-Atlantic way of doing things which is now the norm for show business.

The U.S. has continued its domination of world screens with filmed material meaning, *basically, programmes* produced by the film industry *for* television. Hollywood has very much turned its attention to the television movie of a size which British television companies find very difficult to finance. But as the U.S. has moved more and more into this *field and swung increasingly to* low budget situation comedies and quiz-shows for the rest of its programming, so a gap has opened in between. It is a gap which has been filled eagerly by the BBC, commercial tele*vision companies,* and independent producers. Mr. Denis Scuse, Yorkshire / Tyne-Tees head of sales, says the programmes are preferred "to the sausage-machine series from America."

Documentaries neglected

British television sales have come a long way since The Avengers and The Forsyte Saga. Dad's Army, Upstairs Downstairs, World At War, The Sweeney, and Monty Python *all* sell well in foreign markets. Documentaries, an area much neglected in countries with an overtly commercial television system, or where the state is too closely allied to the broadcasters, are also keenly bought.

An American columnist, Mr. Bill Greeley, wrote recently: "Bright (British) newsmen are having a journalistic ball work*ing up documentaries on touchy* and controversial subjects that receive little more than straight news treatment within the nightly newscasts here."

At the BBC growth in recent years has been spectacular. Some time ago the *Corporation* realised that it was being a little sluggish in sales and reorganised its marketing. BBC Enterprises is now headed by Mr. Peter Dimmock, who made his commercial name as a no-nonsense head of BBC outside broadcasters and consistently outnegotiated *ITV* in sports coverage. Enterprises grossed *£7m. last year, of which around* £6m. came from television sales. Along with the British commercial companies, the BBC has virtually taken over the non-commercial Public Broadcasting channels in the U.S. and made huge *inroads into Australian* and Continental television. In the past year some 80 countries bought 9,000 hours of television programmes from the BBC. A series of documentaries were sold to China, the Albanians are eager for even more of the Onedin Line and the Nether*lands are enthusiastic about* Fawlty Towers.

Prices vary *enormously* the world over. A show sold to Zambia might produce only a few dollars (most deals are in dollars), but hit the prime time on American networks — an achievement still rarely made *by British producers*—and the result can be well in excess of £50,000 an hour.

Mr. Muir Sutherland, head of sales at Thames, suggests that British television is sought after abroad not just because viewers want a break from all those American accents. "*British television supplies* polished, literary, long running programmes which attract a regular, devoted audience." Britain appears to have a peculiar skill at this type of show. While London Weekend was able to make an enormous success with Upstairs Downstairs throughout the world, including the U.S., *when the* Americans themselves attempted *to produce a local equivalent,* the result was a flop.

The size of the export market is such that it now helps British viewers to see programmes they might otherwise not be able to afford. Many of the ATV spec*taculars rely on foreign sales to* finance their production, and while the BBC claims steadfastly not to be influenced by anything other than domestic needs, the Enterprises contribution suggests that the licence fee might have to be a little higher were it not for exports. *The tell-tale sign*—"A BBC-Time Life Co-production"—is an indi*cation of when foreign capital* (Time-Life being the BBC's agent in the U.S.) is involved.

Independent producers

The British television export drive is also pushed along by independent producers. There is a huge pool of talent in Britain which is unmatched elsewhere. American television, for example, does very little *training of artistic personnel,* relying heavily on the film industry for talent. In Britain the reverse is true and therefore the true video expertise is to be found there.

The results of this British expertise can be seen in some very odd ways. One of the goodies *that British television had up its* sleeve over the Easter week-end, for example, was the Alastair Cooke interview with Prince Charles, apparently presented by ATV. In fact, the programme was made for the U.S. by an independent producer, Mr. Colin Clark. The programme *was one of those crumbs which* drop from the American table, much to the benefit of the British export record, as a result of the stampede by U.S. companies to have a little cultural prestige attached to their names.

The bill this time was being paid largely by the Xerox Cor*poration, but it could quite* easily have been American Can, ITT, Gulf Oil, or one of the dozens of industry majors which have joined the recent rush to sponsor up-market television and which are spending a large sum in Britain to get what they want.

The American corporate demand for culture has been good news for people like Mr. Clark —who is the son of Lord Clark —a television film maker who, although based in London, specialises in the U.S. culture market. Mr. Clark signed up Prince Charles for interview in a deal through a *friend*, in common, Lord Brabourne.

Mr. Clark is an energetic enthusiast who complains bit*terly about the lack of Govern*ment interest in small companies such as his, which produce at least $500,000 a year in hard currency for the economy. "I don't see much sign of Government encouragement to me to export," he argues. But perhaps Royal helpfulness is a more useful alternative. With the culture focus and TV programme-making expertise still firmly here in the U.K., he can scarcely base himself elsewhere.

Pleasures of Cannes

Obviously in this situation the British salesmen enjoying the pleasures of Cannes this week-end can raise their Champagne glasses to the falling pound. The drink itself might be a little costly, but once more the Onedin Line is becoming a *somewhat better buy than Kojak* for foreigners. At current prices British television shows, in any case, cost at most half the American rates to make.

The BBC, which grossed £2m. in the U.S. last year, is already showing "pilots," meaning samples of programmes which are in the making at the moment, and of wh[illegible] British audience[illegible] They include a[illegible] serialisation of [illegible] Karenina and [illegible] survey by Mr. [illegible] borough. Work is[illegible] way on a numb[illegible] serials, including [illegible] and Nicholas Nick[illegible]

Some of the w[illegible] *is on a co-prod*[illegible] That means that [illegible] *not only buys the* but actually puts m[illegible] money" before[illegible] "Outside finance is[illegible] cause it helps [illegible] extra dimension [illegible] says Mr. John Str[illegible] the BBC's co-prod[illegible] tion. "If we nee[illegible] *show a train in* people in front [illegible] steam in a studi[illegible] has just comple[illegible] duction deal wi[illegible] NBC for a series [illegible] produced by Lor[illegible] *titled Salute to*[illegible]

It is a series of [illegible] British television [illegible] and which is in demand. The reasons for this [illegible] *Once a viewer* [illegible] Upstairs Downst[illegible] Pallisers, he is a [illegible] tive audience for [illegible] series lasts. In [illegible] days series were [illegible] weeks. To-day [illegible] tight[illegible] norm. When [illegible] exist, the [illegible] invent one-[illegible] shows into 13-wee[illegible] British humour [illegible] packaging at num[illegible] into collections of [illegible]

All in all, with the British econ[illegible] much of the hea[illegible] on American TV [illegible] with British show[illegible] *much of the progr*[illegible] British viewer vis[illegible] is likely to find it home from home. [illegible] is that he is usual[illegible] to translate slang as the show goe[illegible] Python is a night[illegible]

Letters to the Editor

Education

From Mrs. S. Hamilton.

Sir,—Each year, the Universities turn out thousands of young men and women graduates whose main ambition seems *only to find an Epicurean berth* in the nearest sector of the Civil Service.

This bias must be corrected. Perhaps the "weighting" system would be of use. That is to say that weighting "points" should be allocated on agreed strengths as between the various disciplines—that is, engineering, *medicine, mathematics,* science, language to receive double or treble weighting points as for social sciences and the arts. According to the weighting points, so shall the grants be available. To add further to the newly corrected bias in the system, it should be possible to add extra points for mature students for *any* discipline—say, equal weighting between all disciplines for students of 30-plus.

For the first few years, higher weighting points could be allocated to the disciplines most in need of teachers for the earlier stages of the system—that is, mathematics, science, English—*in order* to re-orientate the "bias" fairly quickly in primary and secondary levels of schooling.

That this system would provide a sharp shift in emphasis *in the curriculum of* all teaching establishments is desirable on three major counts: (i) to ensure a higher number of technology and science graduates, with a preference for industrial work; (ii) to discourage "im*mature*" students engaging in social sciences and what may loosely be called the arts (which are at present both grossly over-supplied); (iii) to give to as many children *as possible* a firm understanding of technology and science as part of the necessary equipment as democratic citizens when they are grown up.

On the last point, it may be observed that, while it is *relatively easy* (particularly now with the Open University opportunities) to take up the arts and/or social sciences, and even languages, as a mature student, it *is next to impossible for any mature student, doing a full-time* job to take up science and technology (including engineering).

Shirley Hamilton (Mrs.).
1, Harland Road, Lee.
S.E.12.

Tourists

From Mr. R. Travers.

Sir,—It is a pity that the Chancellor has not included in his Budget a tax on tourists, similar to the *taxe de séjour* in France.

Whatever sum is supposed to be brought into the country by tourists, and whatever supposi*tions are the basis of that parti*cular "guesstimate," it is certain that little of it gets beyond the pockets of a handful of travel agencies and hotel-keepers. No benefit accrues to members of the public who bear the brunt of the traffic where every hour of the day is a rush-hour, in which buses and tubes are besieged by droves of jabbering halfwits who make no effort to speak our language, who affect not to understand when they are asked to do the simplest things, *for example not to get* on a bus that is already full, and who seem to have only the vaguest notion of where they want to go. Since the English *of some of our bus-conductors is* far from perfect, it is a wonder that there is not even more confusion than is actually the case.

What we want are tourists who stay in big hotels, who travel by taxi, and who spend substantial *sums of money in the shops,* and this a judiciously applied tax on tourists should be able to ensure for us. Failing that it would at least syphon off some of the tourists' money into the hands of the State.

R. L. Travers.
5c Artillery Mansions,
Westminster, S.W.1.

Crown Agents

From Mr. M. Kalmar.

Sir,—We read that the Government is to take tighter control over the Crown Agents, in view *of the fact that* it had to step in with an £85m. loan, because of difficulties with involvement in secondary banking and property development.

Does not the Government, however, know that the property market has "come back." In *other words,* there is keen demand by the big institutions, pension funds, insurance companies, etc., to invest their money in property with a subsequent lowering of interest rates and an increase in prices.

The Crown Agents made the first mistake of investing unwisely in the property market and they appear to me to be equally capable of making another mistake in not knowing *when the values of their proper*ties have risen again. These values are now changing on a monthly basis, not a yearly basis.

If the Crown Agents had a pessimistic valuation of their property assets right at the bottom of the property slump, they may be now just as far out in their valuation of their total assets, as they were *when they* asked for the loan. If those same assets were revalued at to-day's date, the values would be very much higher and this *might eliminate the necessity to* put up British taxpayers' money to support the agents for overseas Governments.

Michael V. Kalmar.
Bridge House,
181, Queen Victoria Street, E.C.4.

Spending

From Mr. P. Mitchell.

Sir,—I write in support of your "campaign" for a reduction in Government spending especially in the field of housing. It is surely enough to build good houses, without the frills that some people cannot afford to keep going, for example, central heating.

If Government spending was reduced by a considerable amount, then *obviously* Mr. Healey could offer all of us larger allowances to set off against income-tax, to such an extent that it would even please that arch *egotist* Mr. Len Murray. Mr. Murray deserves that description after his performance in Budget 76, on BBC 1, when he said: "We will decide what the pay limits will be, we decided the last time." It does show Len!

Mr. Healey must be correct in offering tax cuts, instead of pay rises, otherwise in a very short time we will be collecting our wages and salaries, and carrying *our pound notes to and from the* banks in wheelbarrows, unless of course someone has the ingenuity to give us a New Pound, as we had a New Penny, and make this New Pound four times the value of the present pound.

It is time that the floating *pound was made to stop floating,* otherwise it will sink without trace. As for devaluation, this eternal devaluation! Simply, it should be made a criminal *offence.*

Peter G. Mitchell.
Southside, Fife Street,
Keith, Banffshire.

Paths

From Mr. R. Dick

Sir,—Mr. Wyles' report on the incipient nationalisation of the shiprepairing industry (April 9) makes grim reading for anyone who values what is left of the free enterprise system in this country. *He is so right in point*ing out the significant differences between shiprepairing and shipbuilding. They have three things in common: a requirement for *access to salt water, a customer* who happens to be a shipping company and a high, skilled, labour intensity. This latter condition alas leads the industry down the same path of other industrial "success" stories: coal, steel, docks, etc.

Ronald F. Dick.
North Sea Navigation,
44, Hill Street, W.1.

Evidence

From the Chairman,
La Mont Steam Generator

Sir—On Page 11 in the issue of April 10 you refer under the headline "Barclays to discontinue cheque return service" to the fact that Barclays Bank *is* to stop sending back paid cheques to customers with their *current account statements.* I think many of your readers will be interested to know that they should now insist on being given a receipt for all payments they make since *they will* no longer be in possession of the paid cheques as evidence of payment.

The Cheques Act, 1957 provides:—"an unendorsed cheque *which appears to have been paid* by the banker on whom it is drawn is evidence of the receipt of the payee of the sum payable by the cheque."

W. H. Anthony.
Heather Park Drive,
Wembley, Middx.

Tories

From Mr. G. Bancroft.

Sir,—If the James Prior way (April 20 "Aiming to make closed shop laws work in a Tory way") really is the Tory way, then Mrs. Thatcher and her team have only themselves to blame *for making so little impact on the* electorate.

It simply is not true to say as Mr. Prior does that a group of people have a right to force *others to join their union,* and presumably harass them if they refuse. Also it is false to suggest that trade unions can raise the standards of living of their mem*bers without excluding new mem*bers or making some of their members unemployed.

What is most depressing about the interview with Mr. Prior is that he *still clings to the heresy* of State intervention which destroyed the Heath Government. In this case it is the desire for an incomes policy and a belief that the Tories in government will have to plan the economy with *the aid of the CBI, and especially* the TUC.

The unions would be no threat to the Conservative Party in government if the Conservatives stated clearly that they did not believe in an incomes policy, that *intimidation* (whether by Trade unionists or anyone else) would not be tolerated, that State monopolies and payments to strikers and their families would be *ended and that companies in* financial difficulties would not receive Government help. In short the priorities of the Tories should be to cut back State activities and expenditure and cut all forms of taxation, especially if they want to impress *the electorate that they are a* credible alternative to Labour and its corporate State.

G. N. Bancroft.
37, Queensdale Road, W.11.

Independent

From Mr. K. Middleton.

Sir,—Your correspondent Mr. R. Hill (April 20) dislikes the prospect of losing his liberty in regard to wearing a seat belt when motoring. Since, however, we allowed the State to take over from us, in 1948, responsibility for our health as individuals, we can hardly be surprised when the State exerts authority over us to minimise its liability.

Mr. Hill, I fear, is one of those *numerous people who wish to be* both dependent and independent at the same time. This attitude is the hall-mark of the liberal, whether belonging to the *party of that name or not.*

K. Middleton.
13, Dean Park Crescent,
Edinburgh, 4.

Lids

From Mr. T. Wainwright

Sir,—Mr. W. Courcouf (April 15)—who had to buy a cup and saucer instead of just a replacement cup—has my sympathy. I broke the lid of my Teasmaid teapot and wrote to Goblin for a replacement. They *informed* me they cannot supply lids without the teapot at a cost in excess of £3.

T. A. Wainwright.
"Pippins,"
8, Hermitage Drive,
Twyford, Berkshire.

Marketing

From Mr. A. Pedlar.

Sir,—Mr. Courcouf (April 15) does not fully understand modern selling techniques—the price of the cup is £1, the saucer is free!

Anthony B. V. Pedlar.
29, Delamere Road,
Ainsdale, Southport.

The respite from rising charges caused by a hiccup in bank profits is now ending. **Michael Blanden** describes the background.

long upward pressure on bank charges

SES in charges an- rclays Bank, this ly to be followed clearing banks, xceptional reduc- ed in a period of profitability two ago. In this sense, l of the general in the cost of was only tem- upted as a result iderations in 1973

also for the time considerably the ong the banks in y offer to their nt account custo- reases the incen- e to shop around deal. If the two s, Williams and the Co-operative, present intention g their charges, ably gain a fair w customers.

r been very easy logic by which ve at their charges ustomers. In gen- small current ss is one of the parts of a bank's now, it is recog- 10p a time which be charging for es for customers meet the new ree" banking will over much more actual cost to the ying out such a

pressure of costs with inflation in years. Mr. Deryk rclays senior gen- said when the ed its rises that nses had doubled s and would rise r cent. this year. ure was there be- gh the extensive m of banking operations and a reduction in the level of service provided has enabled the banks to cope with a greatly increased number of transactions the trend, at least up to 1973, was towards raising charges.

Moreover, the new competitive climate in U.K. banking was also leading towards a greater awareness of the costs of individual activities and towards relating charges for specific services much more closely to their costs. The elimination of cross-subsidisation within a bank, under which some services were provided relatively cheaply and covered from earnings from other sources, was one of the main aims. At the same time, however, the banks have continued to recognise the value to them of the interest-free current account deposits left with them by customers, and they have consistently built into their various systems of charging some form of offset for those people who hold set minimal sums in their accounts.

Tariffs

In the old days, of course, the banks did not publish fixed tariffs for their personal customers. As continues to be the case now with charges for corporate customers, the cost of running an account was a matter to be settled by the local manager. He would have some guidelines from head office on how to arrive at a figure (it was a sign of the pressures on the banks when the news that National Westminster expected managers to charge £6 an hour for their time leaked out and caused a considerable furore) but the manager would adjust the charges according to his own assessment of the importance of the customer to him.

HOW YOU CAN GET FREE BANKING

	BALANCE REQUIRED old	BALANCE REQUIRED new
Barclays	£50 minimum or £100 average	£100 minimum £100 average
Co-op	in credit	
Lloyds	£100 average	
Midland	in credit or £50 average	
NatWest	£50 minimum	
Williams and Glyn's	in credit	

Mr. Deryk Weyer

The only tariff generally available was the special arrangement reached jointly by the big banks under which they offered relatively cheap terms to employees of companies which agreed to pay wages directly into bank accounts—known as the "group" or "employee" terms. When Barclays took the lead in publishing for the first time a fixed tariff applying to all personal current accounts in early 1973 the move took the form of adapting these terms for general use.

This in itself was an important innovation in banking which will certainly not be lost in the new round of increases. It was, though, not only the start of a series of changes in which the banks, under the combined pressure of competition among themselves and political criticism of their exceptionally high profits, brought in systems which established free banking for the great bulk of personal current account customers. It has been suggested that the disclosure of the exceptional profits earned in 1973 helped to lose the 1974 February election for the Tories. And the banks became very sensitive to the argument that they had gained enormously from an increase in interest rates, officially induced for economic policy reasons, which gave them a large profit on their in effect fixed-cost current account deposit.

At one stage, Barclays went as far as to give a 25 per cent. across-the-board rebate of commission on current accounts for all business customers. It was reckoned that this, in the first half of 1974, would save these customers some £4m. in addition to the £11m. reduction in costs to personal customers under the new tariffs. Other banks went even further in reducing the cost to personal customers, resulting in a range of tariffs which meant that between 70 per cent. and in some cases nearly 90 per cent. of personal current account holders paid no charges at all.

The differences between the banks in the way they calculate charges involve mainly the minimum criteria which customers have to meet in order to qualify for free banking. In all cases, it is related to the amount kept in the account in each period—normally a half-year though each quarter at Williams and Glyn's. Currently, free banking is available at Midland, Williams and Glyn's and the Co-op for all customers who keep any credit balance at all.

Barclays offers a choice of keeping a certain minimum amount in the account or of maintaining a certain average. These figures are now being doubled from a minimum of £50 to a minimum of £100, or from an average amount of £100 to £200. Midland offers a similar alternative, with customers getting free banking if they keep an average of £50. Lloyds has stuck to an average basis, at present £100, while National Westminster requires a minimum balance of £50.

This clearly makes Midland, Williams and Glyn's and the Co-op the cheapest banks at present in terms of the sums required to have free banking; and the Co-op also pays a nominal interest rate of about ½ per cent. on any credit balance. For those customers who do not qualify, however, terms vary considerably among the banks. At most, credit entries in the account—paying in money, for example—are not charged for, though Williams and Glyn's exceptionally does make a charge. Barclays is now raising the charge for each withdrawal—cheques or standing orders—from 7p to 10p a time.

Lloyds has a much more complex system for those customers who pay charges; this retains some elements of the old group terms, with a sliding scale according to the number of withdrawals made in any half year, though it may be simplified when the bank gets around to adjusting its tariff. The Co-op is relatively cheap with a 4p a time charge for debit entries though it imposes a surcharge of 3p for standing orders and direct debits. Williams and Glyn's takes the opposite view, with computerised transfers—such as standing orders—costing less at 6p a time than the 8p charged for other entries in the account.

To complicate the matter further, most banks also offer a percentage offset against any charges for personal customers for amounts left in the account—commonly this is 5 per cent. It is available to reduce charges incurred on the customer's transactions. The end result, therefore, is at present quite a wide spread of charging systems among the big banks.

Impact

The pattern will, however, change further as the banks attempt to catch up with the impact of inflation on their costs—and the process is affecting not only personal current account customers. The banks have, in fact, been stuck with the decisions they made two to three years ago as a result of the Price Code restrictions. This has hit them in several areas. Specialised services which are offered for a specific fee, including for example the trustee departments of the banks and their tax advisory services, have not raised their charges until recently and Mr. Anthony Tuke, the chairman, told Barclays shareholders that its trust company was actually running at a loss.

The other big three banks have already earlier this year gained Price Commission approval for increases in some of these specialised areas, and customers are now beginning to feel the impact of the higher charges. At the same time, Barclays has also recently told its customers that it is cutting back on one service which it had continued to provide for some time after other big banks had stopped it—the automatic return of paid cheques with their statements, unless customers insist on continuing to receive their cheques.

Corporate customers, where charges are arrived at by negotiation, also face considerable rises. Barclays argued that these charges had been frozen under the Price Code since 1972 and in many cases had been unchanged since the late 1960s. Now they are being raised to levels which could mean for some corporate customers increases of up to 50 per cent. in the cost of running their bank account.

How the new general charges pattern will settle down is not yet clear. National Westminster has indicated that it will follow the Barclays example in putting in an application to the Commission. But it has also suggested that it rather likes its present £50 minimum balance qualification for free banking and may try to keep this—though presumably this will mean stiffer charges for those customers who do not qualify for free banking if National Westminster is to recover anything like the extra amount of up to £20m. in a full year which it is thought Barclays could gain in income from its new charges.

If the banks want to get any new tariffs in force in time for the half-year which begins in July and which will be paid for in the December charges, they cannot wait too long—given the 28-day waiting period before submissions to the Commission are agreed. On the other hand, there could be some temptation to wait for the next stage of the Price Code in the hope that this will include easier and less formal conditions—in which case bank customers can certainly expect some significant rises.

Networks

Meanwhile, the two smaller banks, Williams and Glyn's and the Co-op, have said that at present they do not plan to change their tariffs. They may be in a rather special position in the banking market. As one of the two biggest banks, Barclays probably has little to gain in terms of new business and quite a lot to lose in income by holding down its charges. For the smaller banks, however, there is some marketing attraction in keeping charges low. They lack the very wide coverage of branch networks of the big four (though the Co-op can offer services through the Co-operative stores). But they can reasonably expect to attract new business on a sufficient scale to make it worthwhile running current accounts effectively as a loss-leader among their services.

BOUR NEWS

ks on new Scots er break down

AUR, SCOTTISH CORRESPONDENT

S with Mr. Robert sher, to launch an paper in Glasgow own, Scottish print- ion leaders said

mmerson, Scottish the National ociation, said Mr. terminated yester- with local officials unions.

ed union demands r staff on the new include the £6 they are negoti- er members of the Newspaper Society rom the beginning

embers of the News workers' who have been loyment by Mr. told the unions not want the £6 h is only now icable to Scottish newspapers because last year's agreement was concluded immediately before the imposition of the £6 limit.

Miss Dorothy Grace Elder, editor of the Scottish Daily News weekly emergency edition, said payment of the £6 would add £100,000 to the wage bill of Mr. Maxwell's paper. Workers were not prepared to sacrifice the project for the sake of the "miserable £6" and would lobby trade union headquarters in London if necessary, she said.

LAST STRAW

Mr. Maxwell, who told union officials that their demand was "the last straw," insisted that the talks had merely been postponed.

Next month's planned auction of the machinery at the former Scottish Daily News premises has been postponed by the paper's liquidator because workers have threatened to obstruct it with a demonstration.

process workers re-training plan

er what could be to a section of was announced ir union. SLADE orkers' union), the employers' e Graphic Repro- eration, would a major re- e.

of the industry e photo-engraving a "major body e of impending in national news-

ment's help is being sought in a bid to reduce closures and unemployment, they say in a joint statement, adding: "It is hoped to counter the loss of work by re-training for photo-litho in the belief that it is in this section of the printing industry that more skilled labour will be required when the economy picks up."

It added that the general switch of work away from letterpress, together with the increasing productivity of new techniques, had created a chronic unemployment problem affecting SLADE membership for some years.

nt docker leaders lined on blacking

BOUR STAFF

AL committee of t and General at Hull yesterday credentials of 16 stewards who the continuation of the British Water- defiance of union

g, which was im- onths ago in introduction of (barge aboard stem since with- firmed by a mass meeting of the dockers this week.

Mr. Walter Cunningham, chairman of the shop stewards' committee, which made the recommendation, said that they were elected by the dockers and would carry on as usual.

The withdrawal of the shop stewards' credentials, which does not mean that they are leaving the union, came 24 hours after they were asked to give an undertaking to abide by the union's constitution and the decisions of its regional committee.

for port rail men

BOUR STAFF

ORKERS at 18 the British Trans- ard's headquarters ll receive a £6 a Monday.

l Union of Rail- cutive yesterday oard's offer, affect- ers. The rise will, with Government upplement to pre- es and not count Ports affected are Hull, Grimsby, Immingham, Southampton, Goole, Newport, Cardiff, Barry, Port Talbot, Swansea, Lowestoft, Plymouth, Garston (Liverpool), Fleetwood, Kings Lynn, Barrow, Silloth and Ayr.

Although successful in achieving the maximum allowed under the pay policy, the union failed to persuade the Board to agree to a closed shop.

Worker-director plan by GMWU underlines split

BY JOHN ELLIOTT, MANAGEMENT EDITOR

SPLITS AMONG trade union leaders over the TUC's worker-director plans have been underlined by the country's third largest union, which called yesterday for trade union power to be increased by an extension of collective bargaining up to Board level.

The proposals, put forward by the General and Municipal Workers' Union, envisage this generally being carried out through normal negotiating methods aimed at reaching collective agreements rather than by giving Boardroom seats to worker-directors.

This is in sharp contrast to the views of the TUC General Council, which wants statutory backing to be given only to trade union-elected worker-directors.

'Broaden scope'

The split, which has been developing in the TUC for about two years, emerged yesterday when the GMWU sent evidence to the Government's Bullock Inquiry on industrial democracy in the private sector.

The terms of reference for this inquiry are biased in favour of the TUC's worker-director plan. The GMWU calls on the inquiry to broaden its scope so that it can consider recommending that industrial democracy be extended through increasing traditional collective bargaining as well as through worker-directors.

The inquiry has a strong TUC contingent, including Mr. Jack Jones of the Transport and General Workers, one of the staunchest backers of the worker-director plan.

It may therefore prove impossible for the inquiry team to produce a unanimous report, and the GMWU's ideas may not gain much ground because they will not find favour with employers who want only participation through consultation, not negotiation.

The GMWU calls in its evidence for seven innovations aimed at "subjecting decisions to joint determination between management and representatives of the work force via trade union membership."

Based on building up involvement from the workplace, these are: Ensuring effective workplace trade union organisation; extending collective bargaining beyond wages to "all major organisational changes and decisions"; improving plant-level bargaining; negotiating effective procedure agreements with "status quo" provisions limiting managements' freedom unilaterally to change working practices; extending the disclosure of company information; merging existing consultative machinery with negotiating arrangements; and uniting all trade unions in each factory

Planning pacts

The GMWU also calls for more collective bargaining arrangements to be set up at company level, in contrast to existing plant-level and industry-wide arrangements. This would work in tandem with planning agreements, which the GMWU want to embrace unions.

"It will be necessary to impose a mandatory general obligation on company management and directors to consult and negotiate with trade unions on all major decisions involving investment, closures, mergers, organisational changes and redeployment," says the GMWU.

"But we believe the precise machinery should be left to negotiation between the employer and the recognised trade unions within the companies." There would be a statutory duty for the company-level bargaining machinery to reach agreement on the "strategic issues."

Labour Left angry at rise in MLR

BY JOHN HUNT

THE GOVERNMENT faces trouble with its Left-wing over the 1½ per cent. increase in Minimum Lending Rate when the Commons reassembles on Monday after the Easter recess.

Mr. Norman Atkinson, Labour MP for Tottenham and a leading member of the Tribune Group, is seeking to put down a private notice question for answer by Mr. Denis Healey, Chancellor of the Exchequer.

He is also contacting Mr. Michael Foot, the Leader of the House, with a view to getting a debate on the subject.

The Left-wingers are angry because they believe that any increase in interest rates will strangle the hoped-for increase in industrial investment and prevent a drop in unemployment.

Mr. Atkinson's private notice question asks what instructions Mr. Healey gave the Bank of England on Thursday, after the drop in the value of the pound, and if he would make a statement on the Government's intentions.

He wants Mr. Foot to find time for a debate to discuss the possibility of a fixed rate for the pound and an inquiry into the activities of foreign exchange dealers in the U.K.

Sir Geoffrey Howe, Shadow Chancellor, last night called on the Government to take "urgent and decisive action" to restore the nation's economic fortunes and halt the fall in the value of the pound.

He urged Mr. James Callaghan, the Prime Minister, to tell the people in plain terms that living standards would have to fall until the economy was back on course.

Above all the size of the public sector should be sharply and quickly curtailed.

Economic Diary

MEETING of the Trades Union Congress—Labour Party liaison committee on Monday in advance of a special TUC economic committee meeting that day. The general council of the TUC meets on Wednesday.

Other events and statistics next week include:

TO-DAY—Sir Campbell Adamson, director-general of the Confederation of British Industry, and Mr. John Whitehorn, deputy-director general, visiting the U.S.

SUNDAY—Mr. James Callaghan, Prime Minister, addresses Union of Shop Workers' Conference in Blackpool on eve of union's pay debate. National Savings monthly progress report (March).

MONDAY—House of Commons resumes after the Easter recess—second reading of Iron and Steel (Amendment) Bill. Sir Ralph Bateman, president of the CBI, leads seven-man delegation to Japan for talks with Keidanren, Japan's federation of employers organisation. Preliminary estimate of consumers' expenditure (first quarter). Mr. Jack Jones, general secretary, TGWU, at Freight Transport Association dinner, London Hilton.

TUESDAY — House of Lords resumes after the Easter recess. Housing starts, completions and grants (March-provisional). Slum clearance (first quarter-provisional).

WEDNESDAY—Lord Watkinson, deputy-president, CBI, speaks at the British Chemical Trades and Dyestuffs Association dinner, Dorchester, London. New construction orders (February).

THURSDAY — Department of Energy publication — Energy Trends.

FRIDAY — EEC Ministers for Social Affairs meet in Luxembourg. Bricks and cement production (March).

COMPANY NEWS + COMMENT

Allied Polymer down £1.14m. at £2.25m.

THE "significantly reduced" profit forecast by Allied Polymer Group in connection with the cost of exceptional developments turns out to be £2.25m. for 1975, compared with £3.39m. for the previous year, after £1.23m., against £1.16m., for the first half.

Stated earnings per 25p share decreased from 9p to 6.7p. A final dividend of 2.146p raises the net total from 4.1458p to 4.426p net, the maximum permitted.

Sales, including those of the Australian subsidiaries, totalled £54.64m. For 1974 sales of £45.34m. excluded Australian sales totalling £9.24m. when the group's holding in those companies was only 50 per cent.

	1975 £000	1974 £000
Group turnover	54,641	45,341
Trading profit	3,161	4,072
Interest charges	914	682
Profit before tax	2,247	3,390
Taxation	1,014	1,750
Minorities	[illegible]	[illegible]
Extraordinary items*	[illegible]	206
Attributable Ord.	1,560	1,371
Interim dividend	405	[illegible]
Proposed final	[illegible]	[illegible]

Comprising (£000s omitted) profit on sale of Greengate Cables £251 (nil) and exchange differences on conversion of overseas subsidiaries £118 (£295 debit).

See Lex

HIGHLIGHTS

Profits at **Allied Polymer** are a third lower against a forecast of a significant reduction with losses in Australia and the U.K.; *prospects for an improvement in the group as a whole* this year look at this stage to be fairly slim. Lex concentrates on these results together with the developments in the market. Elsewhere, **Hopkinson** has had a much better second half and *despite a mid-term shortfall overall profits have come out* some 18 per cent. higher. In contrast, however, the figures from **Sandeman** were disappointing with the market looking for something over £1m. pre-tax. Profits at **Royco** are 47 per cent. lower before extra-ordinary items.

Liberty profit tops £1m.

THE increase in profits expected by fabric and carpet dealers, **Liberty and Co.**, for the year ended January 31, 1976, emerges as a rise from £675,000 to £1,049,000. Sales, including VAT, were up from £9.74m. to £12.84m.

Stated earnings per £1 share advanced from 92.2p to 132.4p and a net final dividend of 14.7762p lifts the total from 21.349843p to 23.2263p.

Profits for the first 27 weeks had increased from £238,000 to £343,000, and the directors said the year's profits should exceed those of 1974-75, owing to a large increase in export sales attributable to the converting and wholesaling companies.

	Year 1975-76 £000	1974-75 £000
Sales*	12,844	9,744
Profit before tax	1,049	675
U.K. retail	406	257
Overseas	[illegible]	[illegible]
Converting, etc.	552	147
Central expenses	74	—
Property rents	152	162
Tax	539	323
Net profit	510	352
Currency profit	[illegible]	14
Retained	[illegible]	376

* Including £702,000 VAT. † Debit.

Woolworth looking for advance

F. W. WOOLWORTH chairman, Mr. S. Owen, told shareholders at *yesterday's AGM* that sales in the first two months of the current trading period had been "satisfactory" and the group was looking to increased profits at the end of the year. But he declined to make any firmer forecast.

Asked by a shareholder if it wasn't time for a rights issue, Mr. Owen said it would be an expensive way for the company to raise money and "at the moment we have no intention of raising money by a rights issue."

Parambe loss reduced

A reduced loss before tax of £140,972, compared with £593,339 previously is reported by **Parambe** for 1975. *Turnover fell sharply* from £237,833 to £36,072.

The year's loss is after writing off oil exploration costs of £301,053 (£83,755) but includes a profit on the disposal of investments of £184,744 against a £368,730 loss previously.

Loss per 10p share is 3.44p (10.2p). *Again there is no dividend*—the last payments totalled 0.861p net in 1973.

After a tax credit of £11,821 (£14,400 charge) and extraordinary debits of £131,072 (£436,652) the deficit balance is £260,223 (£1,044,391).

The directors state during 1975 *gas in commercial quantities was* discovered on the Giardinetto and Foggia permits in South Italy.

However, as liquid resources are not sufficient to cover the share of the costs of development, the Board is considering a number of alternatives to rectify the position, while allowing shareholders *to retain the maximum* potential benefit from these discoveries.

An announcement will be made to shareholders as soon as possible.

Borrowings are now around two-*fifths lower than a year ago*, while the value of the land-bank has been reduced by roughly 23 per cent. However, that could leave the group with some fat still to trim off. The gearing is still rather high at 100 per cent. of net worth and the market will probably wish to see solid evidence of a pick-up *in the group's own house sales* before making a move on the shares which, at 27½p, are yielding 11.6 per cent., more than double the construction average.

Royco turns in £1.21m: repeats 2p

PRE-TAX PROFIT of property developers and financiers, **Royco Group**, increased from £967,000 to £1,205,000 in 1975 after deducting *sharply reduced* exceptional items of £417,000, compared with £2,079,000. At halfway profit was up from £482,000 to £875,000.

Mr. R. H. Strudwick, chairman, reports that investment in land and buildings has been reduced by £6m. and borrowings by £5m. after purchasing new sites and investing in other businesses. Market conditions are improving and the group "is in a sound position for the future," he says.

Stated *earnings for 1975* increased from 2.54p to 3.05p and a final dividend of 1p makes a same again net total of 2p.

	Year 1975 £000	1974 £000
Turnover	13,773	16,270
Profit	1,622	3,046
Exceptional debits*	417	2,079
Profit before tax	1,205	967
Taxation	598	462
Net profit	607	505
Minority	[illegible]	[illegible]
Extraord. profit	152	—
Dividend	460	400

* Comprising (£000s omitted) write-down in cost of land £164 (£264), off interest costs £704 (£916), provision to reduced quoted securities to market value nil (£899), less provision released on disposal quoted securities £451 (nil). † Mainly disposal of a subsidiary and acquisition of minority interests.

● comment

Before all extraordinary items, Royco's 1975 profits are 47 per cent. lower before tax. Trading conditions seem better in the current year as housebuilding demand is beginning to recover and the group is starting 1976 with a stronger balance sheet.

Hopkinsons better than expected

AGAINST the interim forecast of a trading profit similar to the £1,487,000 of the previous year, **Hopkinsons Holdings**, makers of boiler mountings valves, etc., has achieved an advance to £2,069,000 in the year to January 31 1976.

Because of industrial action, and also the effects of completion of an exceptional amount of now *unremunerative long-term fixed* price contracts, trading profit for the first half of the year had fallen from £565,000 to £497,000.

After nearly doubled interest charges, the year's pre-tax balance increased to £1,586,000 from £1,340,000 previously when the figure was struck after crediting £254,649 exceptional discount on trading stock taken over from Bryan Donkin.

Earnings per 50p Ordinary are shown to have improved from 5.34p to 6.11p. A final dividend of 3.36875p makes a same again net total of 4.11875p.

	1975-76 £000	1974-75 £000
Group turnover	29,575	[illegible]
Trading profit	2,069	1,487
Investment income etc.	[illegible]	118
Interest charges	575	265
Profit	1,586	1,340
Tax	885	725
Net attributable	701	615

● comment

Hopkinsons has achieved its 18 per cent. pre-tax profits rise in spite of an exceptional credit of £¼m. last time, the big fall in the first half, and continuing losses from Blakeborough in the second. Meanwhile turnover was up 38 per cent. and trading margins were held at 7.7 per cent. although pre-tax margins lost a point after the doubled interest charges. *Currently, the order* books are full and, with provision already made for any further losses from Blakeborough's fixed-*price contract problem, a profits* rise this year to at least £2¼m. seems on the cards. Fully taxed, this would cover the present 10 per cent. yield on the shares at 64p about 2½ times and put the p/e at 5.6. Improved profitability of this order could also mean a dividend increase for the first time since 1973/74 as well as a reduction in borrowings which rose from nil to nearly 35 per cent. of the shareholders' funds in 1974/75 and have clearly increased since then. The group's links with the energy industry make it resilient against world economic slumps and in the long term this should especially bring benefits from its privileged position as a supplier of U.S. nuclear *station valves*.

Sandeman falls to £0.9m.

UNEXPECTED losses at the wine making centres in Portugal have hit **Geo. G. Sandeman Sons and Co.** Second-half profits are only a little better than those of the depressed first six months, and *the overall result for the year* 1975 is £917,000, compared with £2.47m. last time.

Earnings per 25p share are shown at 4.2p against 11.59p. The dividend is again 2.31p net with a final of 1.31p.

The first half suffered primarily from difficulties in Portugal, a fall in sales to certain markets which are traditionally profitable, and a loss at the French subsidiary. On July 1 the latter company ceased to trade, and some recovery was expected in other areas in the second half.

● comment

After the interim indication by **Sandeman** of some recovery in the second half, profits of £482,000, only 11 per cent. higher than the *previous six months and 54 per* cent. below the comparable period, are disappointing. Certainly the company was not going to *match the £2½m. for 1974*, though a target of £1m. looked realistic, and Sandeman could have made it but for losses in Portugal exceeding £100,000. Meanwhile interest charges were well up at over £1m. against £0.7m., and the overdraft is considerably higher than the £6.6m *of a year ago. For the current* year Sandeman is confident about its sales volume but less so about profit margins, so understandably the shares remain depressed at 40p, or less than half of net asset value per share, and no higher than they were six months ago at the interim, since when the market is some 15 per cent. ahead. Still, the yield of 9.2 per cent. is covered 1.8 times.

Improving demand at Inveresk

Chairman, Mr. T. S. Corrigan, told the annual meeting of **Inveresk Group** that demand *for* packaging products had shown a marked improvement during the first quarter of the current year and the stationery distribution business had continued to maintain a good level of activity.

There had also recently been an increasing trend in demand for most paper and board products.

The continuing further decline in the exchange value of the Pound had led to an additional *increase in the cost of imported* woodpulp, he pointed out. Prices of paper and board products had recently been raised but market *conditions did not permit these* increases to reflect fully all the additional costs previously incurred.

Management accounts showed that the group recorded a small net profit for the first 12 weeks of 1976. It still appeared there should be a further improvement in demand.

Results due next week

Next week's company news list is dominated by **Marks and Spencer** and **Hoover**, but it also contains **Tarmac, Foseco Minsep, Lead Industries, John Laing**, and **McKechnie Brothers**.

After a pension provision of around £8m., Marks and Spencer's full year pre-tax profits are expected to be around £80m. compared with last year's £82m. which was not subject to such provisions. The over-riding problem over the year has been the squeeze on con-*sumer spending which has had a* greater than usual effect on the women's clothes side. Meanwhile the new French stores are probably not yet profitable: the figures, which are due on Tuesday, will be looked on as a guide to the results from several other major retailers expected over the next month.

Hoover's first quarter results due on Thursday are expected to be considerably lower than those for the comparable period of *1974 when pre-tax profits were* £5.3m. A fall this time of perhaps a quarter would reflect not only the continuing low level of consumer spending in the U.K. but also the fact that the comparable figure was inflated by higher sales after the 1974 strike. However, signs of some recovery are expected to be shown in overseas sales *particularly in Australasia*, and in Germany where the market has picked up quicker than expected and where margins have improved.

Tarmac's full year pre-tax profits, due on Thursday, are likely to show a slightly higher growth rate than the 10 per cent. reported at mid-term. Estimates range around the £20m. mark against £17.8m. last time, given the group's *resilience in the face of the* recessionary trend in the areas, particularly aggregates/roadstone, in which it operates. Moreover, interest charges may have been reduced in the second half by the use of rights issue proceeds of £10.6m.: net borrowings may now be below £30m.

Pre-tax profits for 1975 for Foseco Minsep (to be announced on Wednesday) are expected to be almost 15 per cent. up at around *£14.5m. in spite of the sharp drop* in world steel production and the U.K. depression in the construction industry. It has gained access to new areas of steel-making as well as finding growing markets in the U.S., the Middle East and the Far East. In addition, big benefits are expected from the devaluation of the pound which *would show more in the second* half than the first, when profits were up to just £6.7m. against £6.1m.

Reporting a 53 per cent. fall in mid-term pre-tax profits to £6.26m., Lead Industries indicated that second half figures might be *slightly lower. But it appears that* external events, particularly the weakening of sterling, have overtaken this indication since about *half its profits comes from over-*seas operations. Interest charges should have fallen also. Full year pre-tax profits, due on Tuesday, are expected to be around £12.5m. against £21.3m. in 1974 and £12.2m. in 1973.

Expansion of the overseas activities was the main key to John Laing's first half profits growth: profits rose an eighth to £5.97m. pre-tax. New orders from the U.K. have remained dull and the group has expressed concern about the low level of public and private investment in the home market. However, the overseas operations now account for around a fifth of total turnover, and although there is some evidence of a slowdown in Spain the group is hoping to offset this *in the near future by expanding* in the Middle East. The full year figures on Monday should reveal a pre-tax profit of around £12½m. against £11.2m.

McKechnie Brothers' 1974-75 profits were down from £15.5m. pre-tax with most of the fall in the second half of the year. However, there was already some evidence that the worst was over and the group forecast a rather *higher profit in the current year.* Trading conditions have generally become much easier and this week's figures from Delta Metal showed that the joint South African subsidiary was making good progress. Profits of around £10m. pre-tax seem a safe assumption for the full year with around half of that in the first six months. The interim is due on Thursday.

Other figures expected include the preliminaries of **Simon Engineering** *on Monday*, the interim announcement from **Yarrow** on Tuesday and the full-year profits of **Clarke Chapman** on Wednesday. The full-year figures of **Matthew Hall** are due on Tuesday while the half-time results of **J. Hepworth and Son** are expected on Friday.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Anchor Chemical	Thursday	1.76	1.960	1.49
Belgrave (Blackheath)	Tuesday	—	2.4	—
Bodycote International	Wednesday	0.75	0.165	0.15
British Investment Trust	Monday	1.5	1.55	1.5
British Vending Industries	Tuesday	0.792	Nil	0.418
Brooks Watson Group	Monday	0.501	Nil	Nil
Burrell and Co.	Wednesday	0.197	0.408	0.196
Camrex (Holdings)	Monday	1.34	1.437	1.34
Clarke Chapman	Wednesday	1.4	2.651	1.4
Cullen's Stores	Wednesday	0.67	3.15(c)	0.85
De Vere Hotels and Restaurants	Friday	1.675	1.546	1.625
Electrical and Industrial Securities	Monday	0.365	1.462	0.513
Flight Refuelling (Holdings)	Thursday	0.689	1.441	0.75
Estate Duties Investment Trust	Tuesday	2.345	2.818	2.5
Foseco Minsep	Wednesday	1.4	2.028	1.54
Futura Holdings	Friday	1.05	1.4	1.05
Gerrard and National Discount	Thursday	2.585	8.251	3.0
Gill and Duffus Group	Wednesday	1.67	1.529	2.273(c)
Matthew Hall	Thursday	1.313	2.987	1.433
Hamilborne	Monday	0.76	0.6	0.5
Hammerson Property and Invest. Trust	Friday	—	4.51	—
Hoveringham Group	Thursday	Nil	0.525	0.375
Jessel, Toynbee and Co.	Wednesday	0.575	2.125	0.575
John Laing and Son	Monday	0.5	0.550	0.5
Lake View Investment Trust	Tuesday	0.54	1.5	0.55
Lead Industries Group	Tuesday	1.93	2.78	2.12
Lyon and Lyon	Wednesday	0.575	1.02	0.575
Macfarlane Group (Clansman)	Monday	1.2	1.357	1.5
Marks and Spencer	Tuesday	1.125	2.112	1.2
Municipal Properties	Monday	—	3.77	—
B. and I. Nathan	Friday	0.75	1.75	1.0
Office and Electronic Machines	Tuesday	0.96	2.145	1.05
Oxley Printing Group	Thursday	0.5	Nil	Nil
Pearson Longman	Thursday	1.4	3.073	1.4
Harold Perry Motors	Thursday	1.724	2.194	2.011
Pool and Smith Holdings	Thursday	1.509	1.019	0.5
Sanderson Kayser	Wednesday	1.22	2.36	1.22
Shiloh Spinners	Wednesday	0.75	0.556	0.75
Silentnight Holdings	Tuesday	Nil	2.1	1.01
Simon Engineering	Monday	2.159	7.624	2.159
Smith St. Aubyn and Co. (Holdings)	Monday	1.667	1.9	1.7
Tarmac	Thursday	3.0	4.745	3.2
Tebbitt Group	Friday	—	Nil	—

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
Telephone Rentals	Wednesday	1.23	3.125	1.23
Tern-Consulate	Monday	Nil	Nil	Nil
Thomson T-Line Caravans	Thursday	2.67	Nil	1.625
Tozer Kemsley & Millbourn (Holdings)	Tuesday	0.534	1.478	0.591
Whatman Reeve Angel	Thursday	1.225	1.91	1.188
Wire and Plastic Products	Thursday	0.6	1.027	0.7
INTERIM DIVIDENDS				
Australia and New Zealand Banking Grp	Thursday	4.7	5.0	
BPM Holdings	Wednesday	0.175	2.1249	
Bryant Holdings	Monday	0.717	1.121	
David Charles	Monday	0.623	0.873	
Construction Holdings	Friday	Nil	5.2	
Countryside Properties	Friday	[illegible]	Nil	
J. Hepworth and Son	Friday	0.63	1.43	
Higsons Brewery	Thursday	0.67	3.0	
Headen Group	Thursday	1.4	3.0692	
Laurence Scott	Wednesday	0.7	1.32	
S. Lyles	Tuesday	1.0	1.8	
Maynards	Thursday	4.8	11.166	
McKechnie Brothers	Thursday	1.0	2.547	
Medminster	Thursday	0.513	0.813	
S. Simpson	Thursday	1.233	1.499	
Spencer Gears (Holdings)	Tuesday	0.29	0.806	
Yarrow	Tuesday	1.5	2.4345	
INTERIM FIGURES ONLY				
Atlanta, Baltimore & Chicago Reg. Inv. Tst.	Tuesday			
Anglo Scottish Investment Trust	Thursday	0.673	0.738	
Border and Southern Stockholders Trust	Tuesday	1.75	3.05	
Greenfriar Investment	Wednesday (a)			
John Haggas	Tuesday (b)			
Highland Electronics Group	Friday			
Hoover	Thursday (a)			
Lockwoods Foods	Tuesday			
New Court European Trust	Tuesday			
Safeguard Industrial Investments	Thursday	0.7	2.1	
Samuel Properties	Wednesday	Nil	Nil	

* Dividends shown net pence per share, and adjusted for any intervening scrip issue. † Paid in two parts. ‡ Declaration of dividend only. § Second interim due in 15-month period: 0.7p interim already declared. ¶ Second interim. (a) First-quarter figures. (b) Third-quarter figures. (c) Includes second interim. (d) Gross.

UNIT TRUSTS

Two Gartmore offers

Gartmore Fund Managers is making offers of **Gartmore High Income and Gartmore British** unit trusts. Both funds have a minimum investment requirement of *£200* and the charges are 5 per cent. initially plus ⅜ per cent. per annum. The High Income fund has an estimated current gross yield of 10 per cent. and is 74.5 per cent. invested in equities, with another 18.4 per cent. in Preference shares. Gartmore British is solely devoted to capi-*tal growth with income* re-invested, the major sector of the portfolio being capital goods. Both funds are relatively fully invested.

● comment

The **Gartmore High Income** and the **Gartmore British** have different aims but both have had a good performance record so far—especially the high income fund. Gartmore is relatively new to the unit trust field but has had extensive experience in investment trusts—the group controls over £400m. of funds in discretionary and non-discretionary investment management," and a service for the client who wishes to take his own investment decisions."

The firm has 3,000 private clients with funds amounting to £250m.

HENDERSON HIGH INCOME

Henderson Unit Trust Management is offering investors the **Henderson High Income Trust** this week-end, yielding an estimated 9.3 per cent. gross. The *portfolio is heavily invested in* high yielding equities (87 per cent.) with a small amount in Preference shares and cash. The minimum investment is 1,000 units and a share exchange scheme is available.

● comment

High-yield trusts have been the market leaders and the **Henderson High Income Trust** offers investors a high starting yield for a fund that is invested almost entirely in equities. This offers investors good prospects for future increases in income—*distributions have risen by 132 per* cent. over the past ten years. This fund has outperformed the FT All-Share index since inception.

SCHLESINGER 'NIL YIELD'

The "Nil Yield" PIMS service is being advertised by Schlesinger Trust Managers this week-end. The fund has a minimum investment requirement of £2,500 and the charges are 5 per cent. initially plus ⅜ per cent. per annum. The portfolio is split between fixed-interest (47 per cent.); overseas growth stocks (38 per cent.); and U.K. equities in-*cluding high-quality low-yielding* shares and the capital shares of dual capital investment trusts. A withdrawal facility is available *with the fund and the managers* normaly advise that this should be kept to 5 per cent. per annum or under.

● comment

The "Nil Yield" PIMS service is an interesting idea in that it runs contrary to most unit trust thinking—which says that unitholders are always interested in yield. What the Nil Yield Fund *does is to relate income to the* unit holders' tax position, pointing out that a modest capital gain is worth a great deal of taxable *income for the higher-rate payer.* It certainly seems to have had some impact, for the fund now amounts to over £3m. and its performance is also encouraging.

JASCOT OFFERS

Arbuthnot Securities is offering units in the **Jascot Commodity Share Fund** at 43.2p each until April 30 to give an estimated *yield of 6.3 per cent. Minimum* investment is £300.

● comment

Jascot Commodity was launched in March 1971 and achieved significant growth in its early years. But its recent performance *has lagged, possibly because* the fund has a small exposure to those sectors, like copper and antimony, that have performed *exceptionally well this year. While* the Fund may not be maximising opportunities, the time does seem right for an investment in commodity shares, as a hedge against further weakness in sterling and to participate in the expected upswing in commodity prices as demand from U.S. industry grows. *But the sector offers a cyclical* investment rather than a reliable lock-up.

M & G COMMODITY

M & G is advertising the M & G **Commodity and General Fund** at 32p a unit to give an estimated yield of 5.2 per cent. Minimum investment is £300 but there is also a regular monthly savings plan starting at £10.

● comment

M & G Commodity was launched last month so it has no track record. But the M & G Group has a sound reputation for investments and seems to have got the timing right for an investment in this sector. With the U.S. economy going into full gear, *demand for commodities is* bound to increase. This will reinforce current demand by speculators hedging against currency uncertainties (including the weakness in sterling). With a fund of £1½m., M & G has enough flexibility to move between different commodity sectors. Cur-*rently, a lot of the fund* is in rubber and tea shares. If M & G gets the timing right, rewards could be quite great, but since commodities prices are highly cyclical, one should take profits at some future date.

NEW SERVICE BY ROWE & PITMAN

A new comprehensive service *for the private investor has been* introduced by **Rowe and Pitman, Hurst-Brown**, City stockbrokers. This consists of a 3-tier management service for private clients under a new subsidiary called **Rowan Investment Management Services**. The basic services comprise a unit trust advisory service; *a portfolio management service* for larger portfolios combining "the better features of both fully

UNITS IN TARGET COMMODITY

The Target group *is offering* units in its **Target Commodity Fund** at 29.7p each until April 30 after which units will be sold at market prices. Minimum investment is £300. The estimated gross yield is 4.51 per cent.

● comment

This could be a good time to invest in companies dealing in commodities through the Target Commodity Fund. Many of the com-*panies have assets and earnings* outside the U.K. which is a useful hedge against the continuing fall in Sterling. In addition, demand for commodities is likely to increase because of demand by the U.S. as its economy gets into high gear. It should be remembered, however, that commodities are *highly cyclical and any profits* should be taken at some stage.

CANLIFE SHARE EXCHANGE

Canada Life Unit Trust Managers is drawing investor's attention this week-end to the **Canlife Share Exchange Scheme**. This enables investors to exchange their equity portfolio for units in Canlife, with appreciable savings in expenses compared with a sale on the open market and purchase of units.

● comment

Equity portfolios need to be actively managed if the maximum return is to be obtained and many investors have neither the time nor the expertise to do this when markets are moving violently as *at present. Therefore it is often* advantageous to convert the portfolio into units of a trust, and the **Canlife Share Exchange Scheme** enables investors to get into a group which offers good investment management and to do so on preferential terms.

LAWSON RAW MATERIALS

Lawson Securities is advertising the **Lawson Raw Materials and General Unit Trust** this week. Yielding 8 per cent., the fund has a minimum investment requirement of £100 and charges are 5 per cent. initially plus ⅜ per cent. per annum.

● comment

The appeal of the **Lawson Raw Materials and General Unit Trust** is obvious at a time when investors are hoping that a world industrial recovery will lead to a new boom in commodity prices. Lawson also offers an attractive yield with this new fund to supplement the growth prospects. But, now that the fund is established, *it would be useful to have more details about the portfolio.*

LAWSON HIGH

Lawson Securities is offering investors this week-end the **Lawson High Yield Fund**, yielding an estimated 12 per cent. gross. The underlying portfolio is spread between fixed-interest Preference shares and split-level investment trust *income shares and high-*yielding equities. The minimum investment is £100 and accumulation units are available. There is *also a share exchange and a* regular savings plan in operation.

● comment

The high yield trusts have been among the best sellers in the unit trust market and the **Lawson High Yield Fund** has remained *with the leaders.* The combination of preference and equity share investment provides a high level of initial income with prospects *of increases in that income.* The managers aim to increase income by investing overseas where dividend limitation does not apply.

JASCOT INTNL.

The **Jascot International Fund** is on offer from **Arbuthnot Securities** this week with a minimum investment requirement of £300. The fund is almost entirely invested in North America (90 per cent.); has capital growth as its primary aim; and has a dollar loan to mitigate the effects of *the movement in the investment* premium. The initial charge is 5 per cent. and the annual levy is ⅜ per cent.

● comment

With the emphasis on North America, **Jascot International** is *in the right market* at the moment, but has the flexibility to switch to others should circumstances demand it. The managers have entered the unit trust field relatively recently, but have expanded rapidly and are backed by an established merchant bank.

MERCURY INTNL.

The **Mercury International Fund** is being offered by Mercury Fund Managers. The minimum application is £500 and the charges are on a 3¼ per cent. initial, ½ per cent. per annum basis. The fund is mainly aimed at capital growth and is broadly based, with 42.6 per cent. in America; 18.4 per cent. in Europe; 14.7 per cent. in the U.K.; and *18.1 per cent. in Australia*, the Far East and Japan. A multi-currency loan is linked to the fund.

● comment

Mercury Fund Managers may sound like the ultimate in brash new management companies, but in fact it is another name for merchant bankers, S. G. Warburg. The **Mercury International Fund** has an international bias and one *can see the Warburg flavour* coming through in the advertisement with the reference to the multi-currency loan accounting for 44.3 per cent. of the portfolio's purchases. Warburg believes in getting the currencies right as well as the shares.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Allied Polymer	2.15	July 1	2.07	4.43	4.15
R. & A. G. Crossland	0.8	July 2	0.73	1.12	1.05
Hartle Machinery	1.25	July 15	1.25	2.15	2.15
Hopkinson's	3.37	May 27	3.37	4.12	4.12
Liberty	14.77	June 1	13.47	23.22	21.35
London & European Gp.	0.87	May 25	0.75	1.67	1.55
Lowland Invest. int.	0.6	June 2	0.5	—(a)	1.5
Royco	1.0	July 14	1.0	2.0	2.0
Geo. Sandeman	1.31	—	1.31	2.31	2.31
Silhouette	2.28	—	2.28	2.93	2.93
Sunbeam Wolsey	Nil	—	Nil	—	0.83(b)
Ward White	0.25	—	2.45	0.25	2.45

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Final at least maintained at 1p is forecast. (b) Gross.

Cape Inds. goes for higher profit

PLANS at Cape Industries are to improve upon the 1975 figures in the current year and beyond; and "given a fair wind we shall *do so," says the chairman* Mr. R. H. Dent.

It would be perhaps "tempting fate" to predict success, but 1975 (when profits shot up from £3.89m. to £10.19m.) should not be looked upon as an isolated year of achievement, he tells members.

The demand for asbestos fibre *of all kinds remains strong.* There is no other low cost, long lasting, heat-resisting, fibrous material of such strength or versatility, "nor do I see any likelihood of one being fabricated." Therefore Mr. Dent expects the mines will be fully occupied during 1976 with results comparable *to the previous year.*

In the U.K., increasing attention to fire regulations and the need to conserve fuel of all kinds will probably ensure that demand for Cape's products serving these needs will remain strong. The outlook for insulating contracting work is good and these activities *are being extended to countries* overseas.

Prospects for automotive and engineering division are probably the least buoyant at the moment. But there are real signs of an upturn in Europe and only a small improvement in the British economy would have a significant *effect on business.*

The chairman says capital expenditure will be heavy in the current year, with £4.8m. in the U.K. and £6.3m. in South Africa. Following substantial price increases and coupled with higher output and sales, profits in South Africa received a much needed boost *last year* and a large part of that will go towards the expenditure programme.

In times of inflation the direc-*tors believe it wise to invest for* cost saving and increased production in areas where demand is well established and to the full extent that a proper margin of liquidity permits. The group is now in a strong and well balanced position in this respect.

Referring to recent comment on health risks connected with asbestos, Mr. Dent stresses that Cape has always endeavoured to act responsibly, spending very *large amounts in the control of* dust and taking a leading part into research on the problem. Nevertheless, he welcomes the proposed Government enquiry.

As reported on April 6 with the profit figures, the dividend for 1976 is 6.6795p, compared with 3.6267p. Cape is a subsidiary of Charter Consolidated.

Chairman's statement Page 11

BSR expects marked upturn

Mr. J. N. Ferguson, chairman, told the BSR annual meeting he felt confident that, if present demand levels continued throughout the current year, group profits would show a marked improvement over those for 1975.

For that year, the pre-tax balance fell from £13.5m. to £9.4m. compared with 1974.

Mr. Ferguson recalled his March indication that production in the sound reproduction division was running at record levels with the aim of replenishing inventories to meet the normal *upturn in demand in the last few* months of the year, but said sales had been such that insufficient progress had been made in that direction. Further action had been taken to increase output as soon as possible.

Production of the new ADC ACCUTRAC units had begun and the level of interest shown particularly in the U.S., Japan and Europe was "very encouraging indeed," the chairman reported.

Recent *devaluation of the £* sterling had improved margins, but it was only a matter of time before the adverse effects were reflected in costs, he pointed out.

Mr. Ferguson added that the position of the consumer products division over the next few months was less certain than that of the sound reproduction division but every avenue was being explored to reduce costs as well as increase sales.

British Enkalon

At the AGM of **British Enkalon**, the chairman, Mr. J. M. Ritchie, said the forecast contained in his published statement had so far proved to be correct.

After some three months' trading the company was no longer *suffering from cash losses.*

He believed there was a gradual recovery in the man-made fibre industry and should this be sustained and continue in the months ahead, the company should return to profitable trading, subject *to obtaining* higher prices to compensate for continually rising costs.

The company is controlled by Akzo of Holland.

He said he was "quietly confident" that, despite the many problems, both now and in the future, a new era was dawning for British Enkalon.

JASCOT PREF.

Arbuthnot Securities is offering investors this week-end the **Jascot Preference Share Fund**, yielding *an estimated 13.6 per cent. gross.* The underlying portfolio is invested over a wide spread of preference shares in industrial companies and investment trusts. The minimum investment is £300 and accumulation units are available. There are also available a share exchange and a monthly savings scheme.

● comment

Investors looking for a high level *of income will find that the* **Jascot Preference Share Fund** provides one of the highest yields available from units trusts. But investors must remember that preference shares are fixed-interest investments, so the scope for future increases in income is limited.

Ward White second half recovery

A second half profit of £497,000 against *£584,000 by the* **Ward White Group** of footwear makers and engineers, reduced the first half loss of £645,000, and left the *1975 result* as a deficit of £148,000 compared with a £1.32m. profit in 1974.

At the trading level, profits were down from £3.18m. to £1.25m. before interest of £1.4m. (£1.58m.). For 1974, there was an exceptional loss of £283,000.

A single net final dividend of 0.25p *is recommended*, against a previous total of 2.45p.

The chairman, Mr. G. McWatters, says; corrective measures achieved the desired effect of restoring group profitability. Trading conditions in 1975 adversely affected performance, he adds.

Significant costs were incurred in the closure and reorganisation of certain factories—extraordinary losses were £382,000, being £841,000 gross, less tax credit *£459,000. Several companies in* the group produced good results however.

	Year 1975 £000	1974 £000
Sales	48,9[illegible]	42,[illegible]
Trading profits	1,252	[illegible]
Interest charges	1,400	[illegible]
Exceptional loss	—	[illegible]
Loss before tax	148	*1,3[illegible]
Tax credit	55	†[illegible]
Net loss	93	*[illegible]
Minorities	14	1
Pref. dividends	12	[illegible]
Attributable loss	119	*[illegible]
Ordinary dividends	18	14

* Profit † Charge.

Although difficult economic conditions prevailed in the U.K. *the group did obtain benefit from* the overseas division, where further advance was made with profits increasing by over 20 per *cent.* In particular, good progress was made in Germany, Holland and Australia.

"Now that the U.K. companies are operating on a sound basis I believe the group is in a good position to take advantage of any upturn in economic activity," the chairman asserts.

A.-Continental Investment

ANGLO-CONTINENTAL Investment and Finance Company, the financial and holding concern headed by Mr. Jimmy Goldsmith is proposing to write £7m. off the consolidated book value of its investment *in* Wigham Poland Holdings, its insurance broking subsidiary.

According to Anglo-Continental's balance-sheet at March 31 1975, the investment in WPH is valued at £12.1m. However, at the same time the net asset value of WPH (virtually all of which was goodwill as valued by WPH), according to its own accounts attributable to Anglo-Continental's 63.6 per cent. holding, amounted to £5.1m.

The £7m. difference represents the additional value which Anglo-Continental had placed on the WPH holding at March 31, 1975.

Subject to the approval of shareholders and confirmation by the High Court, this £7m. is now to be written off against capital in the form of the share premium account.

Mr. Roland Franklin, Anglo-Continental's deputy chairman and joint managing director, said that it was now the company's policy to write off goodwill. "It is a meaningless figure to have in the balance-sheet," he said.

Anglo-Continental states that "the proposal in no way reflects any change in the view of the Board concerning the intrinsic value of the company's investment in WPH."

Bowater probe

The chairman of Bowater Corporation, Lord Erroll of Hale, will be making a statement to shareholders at the AGM on May 1, about the outcome of the company's probe into share and option dealings involving two senior Bowater executives, Mr. Malcolm Horsman, who recently retired as deputy chairman and joint managing director, and Mr. Alistair Goodland, Conservative MP for Northwich, a spokesman confirmed yesterday.

TARGET CLAYMORE

Target Claymore Fund managers are offering investors the **Target Claymore Fund** this week-end, yielding slightly in excess of 12 per cent. gross. The fund's investments are a mixture of high yielding equities (60 per cent.) and preference shares. The minimum investment is £300 and there is available a share exchange scheme and a monthly saving *plan.*

● comment

The Target Claymore Fund is one *of the hybrid high-yield* trusts with its portfolio a mixture of equities and fixed-interest preference shares. This enables a high initial yield to be offered and there will still be considerable potential for increases in both income and capital values.

AND DEALS

...nwood-Bear ...nd deal details

...e now been released ... made last month by ...dery (a subsidiary of ...d group) to the re... ...anager of Bear Brand ... of the company's ...

... has acquired Bear ...y for a nominal con... £2. The receiver has ... the trade name and ... of Bear Brand to ... Hosiery, in addition ...ufacturing plant of ... (which is financed as ...y Benson's and the ...me £70,000, by instal... and certain stocks, ... credit from the re...

Benson's is also leasing 85,000 square feet of Bear Brand's 280,000 square feet site at Woolton for a rental of £26,000 a year.

Bear Brand, which last year received a £850,000 loan from the Government, called in a receiver in February, after being refused further support.

Benson's already packages and markets Bear Brand tights and, said Mr. Damon de Laszlo, a director of Tranwood, yesterday, the new production facilities had "great development potential." Already there has been substantial streamlining of the labour force (now at 250 people compared with 390 originally) and a reduction in product lines from 40/50 to 10/20.

More bids Column 3

...ENT ISSUES

EQUITIES

Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or —	Div. Rate or Amount	Times covered	Gross Yield	P/E Ratio
—	$25	£21¾	Berry Pacific Fd. US$1	£21¾	......	40c	—	8.3	—
—	$10,500	$9,500	Brasilvest S.A.	$9,500	......	—	—	—	—
/4	85½	82½	Electra Inv. Tst.	85½	......	b5.6	1.1	6.7	21.4
—	£15⅝	£14½	IC. Inds.	£14⅞	+¼	$1.50	—	4.6	—
—	£22¾	£21⅝	Tenneco Inc. $5	£21⅝	......	Q$1.76	—	4.0	—

FIXED INTEREST STOCKS

Renunc. Date	1976 High	1976 Low	Stock	Closing Price	+ or —
/4	104	95	Arbuthnot Lath. 8% Conv. Uns. 1986	98	......
—	$100	$99½	Banque Canadienne Nat. 9½% Deb. 1992	C$99⅝	......
—	$100	$100	Barclays Bk Intl. 9½% Cap. Notes 1985	$100	......
—	$99	$99	Brascan Int. Cap Corp 9½% Guar Notes 1982	$99	......
—	10½	10	Chester Water 8% Red. Pref. 1981	10pm	......
—	10⅝	10¼	East Worcs. Water 8% Red. Pref. 1981	10¼pm	+¼
/4	101	99½	External Inv. Trust Convertible Ln. 1992-7	100	......
—	40½	38¾	GLC 12½% 1986	39	—1½
/4	¾	¼	Grestermans Cum. Ptg. Pref.	¼pm	......
/5	11	10¾	Hartlepools Water 8% Red. Pref. 1981	11	+¼
/6	87½	85	Howard & Wyndham 12% Uns. Loan 1976-91	87½	......
—	99¼	96½	IAC 9½% Notes 1981	$96½	......
—	$100½	$99¾	Manitoba 8¾% Deb. 1985	$99¾	......
—	$101½	$99½	Midland Bk. FloatCap. Notes 1983	$101½	......
/8	100½	99¼	Mid-Sussex Water 8% Red Prf. 1981	100½	......
—	101½	99¾	Norway 8½% $ Notes 1981	101	......
7/4	½pm	⅛p	Penrad 10% Conv Red. Pref. (With W'rrants)	¼pm	......
—	100	100	Royal Bank of Scotland Floating Rate 1983	$100	......
—	99½	99½	Royal Tst. Mort. Corp. 9¼ Deb. 1981	$99½	......
—	100½	100½	Sandvik 9½% Bonds 1985	$100½	......
/7	74	60	Scot. Met. 9% Conv. '92/5	66	—2
—	102½	99½	Seagram Property 9% Notes 1983	$101½	......
/5	99⅞	99¼	Sutton Dist. Water 8% Prf. 1981	99½	......
—	5p	½p	Ultramar 7% Con. Red. Pref.	1½	—1¾

"RIGHTS" OFFERS

Latest Renunc. Dates †	‡	1976 High	1976 Low	Stock	Closing Price p***	+ or —
—	—	28	16	BICC	20pm	—4
/5	7/5	151	138½	Blackwood Hodge	148	......
/4	30/4	68	60½	Cement Roadstone	67½	—½
[illegible]	[illegible]	[illegible]	[illegible]	Concentric	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	De La Rue	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Dennis (J.H.)	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Dew (G.)	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Diploma Invs.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Eva Inds.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Gill & Duffus	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Imperial Metal Inds.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Jacob (W. & R.)	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Letraset Intnl.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Lloyd (F.H.)	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Lyons (J.) 'A'	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Parker Timber	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Raine Engineering	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Rolls-Royce Motors	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Southern Construction	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Stonehouse Hldgs.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Tavener Rutledge	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Taylor Woodrow	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Triplex Foundries	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Trust Houses Forte	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Turner & Newall	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Ward (T. W.)	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Weyburn Eng.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Wheway Watson	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Youghal Carpets	[illegible]	[illegible]

[illegible] ...date, usually last day for dealing free of stamp duty. ...Figures based on prospectus estimate. ...Dividend rate paid or ... Forecast dividend ... Tender allotment price. ... Renunciation ... Allotment letters (or fully-paid). ...With warrants.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

Last week proved a less eventful time for bids and mergers after the fairly lively pre-Easter week. First Finsbury Trust, an investment holding company, is recommending a 35p cash offer from the parent **John D. Hutchison (U.K.)** for approximately 25 per cent. of the equity not already owned. The latter, which is making the bid through a Scheme of Arrangement, is the U.K. arm of the Hong Kong-based **Hutchison International**.

It was announced yesterday that merchant banker **Arbuthnot Latham** is holding talks with **East and West Investment Trust** which may lead to Arbuthnot bidding for 50.66 per cent. of the E. and W. equity not held. The East and West Board is discussing the proposals with its advisers, Brown Shipley, and a further announcement is to be made as soon as possible.

Rectifier Modules is considering making a counter-offer for **Broxlea Holdings**, the latter being the subject of a recommended 25p per share cash bid from **A. F. Bulgin**. Rectifier, which has built up a 22¼ per cent. stake in Broxlea, has asked Broxlea to provide certain information in order to determine whether to make a bid. A further 2.9 per cent. of the Broxlea equity is held by the chairman and associates of Rectifier, while the Broxlea directors, who previously stated their intention to accept the Bulgin terms, hold about 30 per cent.

A Scheme of Arrangement is being put forward for a reconstruciton of **Tokengate Investment** in order to eliminate the current U.K. exchange control restrictions affecting the company. The Scheme, which is being recommended to Tokengate shareholders by independent advisers, involves a new company, Tolux S.A., being set up in Luxembourg with a view to carrying on the company's business. For every two Tokengate shares there will be offered 110p cash or one Tolux share of no par value (paid up with an amount equivalent to the cash consideration). The intention is to seek listings for the Tolux shares on the U.K. and Johannesburg Stock Exchanges.

Kuala Lumpur Kepong, following the acquisition by itself and associates of about 20 per cent. of the equity of **Yule Catto**, is to hold discussions with the latter regarding their future relationship. YC shareholders will be advised of the outcome of the talks in due course.

Company bid for	Value of bid per share k	Market price k	Price before bid	Value of bid (£m's) k	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Alliance Alders	49½*d	48½	41	8.5*d	Jeffrsn. Smrfit.	—
Artagen Props.	73*d	77	66	27.3*d	Sun Life	—
Ashbourne Invs.	20b	41‡	41‡	—	Cnt. & Shrwd.	—
Assam Cons	25	18‡	18‡	0.3	Hampton Tst.	—
Baird (Hugh)	36bd	34½	17½	1.7bd	Manbre & Grtn.	—
Bolands	29	28	20	2.3	Barrow Milling	—
Broxlea Hldgs.	25*	28	16	0.2*	A. F. Bulgin	—
Burton (M.) Prop.	75*d	71½	46½	3.9*d	Burton Group	—
Cathay Secs.	30*d	30	18	5.0*d	Bowater Corp.	—
Coated Metals	143*	142	75	1.6*	Walker (C.)	—
Dares Estates	2*d	12‡	12‡	0.05*d	Privte. Constm.	—
E. Sussex Engrg.	30*d	30	22½	1.9*d	Aurora Hldgs.	—
Emu Wine	190*	187	170	2.8*	Thos. Hardy	20/4
First Finsbury Tst.	35*d	33	19	0.8*d	J. D. Hutchison U.K.	—
Hardman (Thos.)	25*d	24	11	0.2*d	Scapa Group	—
Highgate Optical	39*d	37	35	0.3*d	Bayfine	—
Indonesia Cons.	14*d	12½	9	2.2*d	Bowater Corp.	—
Lubock Invs.	16	16	10½	3.9	Lonrho	—
New Ireland Ass.	*110*d*	*120*	98	3.8*d	*PMPA Insur.*	—
Reed (Wm.)	33*d	37	29	0.5*	Ferguson Ses.	13/5
Ritz Hotel Ord.	600*	600	650	1.8*	Trafalgar Hs.	23/4
Ritz Hotel Pfd.Ord.	600*	600	600	0.9*	Trafalgar Hs.	23/4
Rosehaugh Co.	22*d	24	15	0.2*d	Patchley Inv.	—
Second Scottish Inv. Trust	81	79	85	46.7	Scot. Inv. Tst.	—
Selukwe Gold	22*d	22	17	0.16*d	Energy Fin. & Gen. Tst.	—
Stanwood Radio	15*d	15	9½	0.6*d	Thorn Elec.	—
Stigwood (R.)	50*d	47	41½	3.8*d	Polygram	—
Totalisators & Greyhound	15bd	15	14	0.6bd	Ladbroke	—
Warwick Engrg.	26	23	21	1.6	Gidney Ind. Invests.	—

* All cash offer. b Cash alternative. c Partial bid. d For capital not already held. e Combined market capitalisation. f Date on which scheme is expected to become operative. g Based on 22/4/76. k Based on 21/4/76. ‡ At suspension. † Bid.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
G. R. Dawes	Sept. 30	655	(797)	1.75	(1.75)
Long & Hambly	Feb. 7	258	(129)	0.375	(0.335)
Martonair Intnl.	Jan. 31	815	(1,361)	1.44	(1.31)
Newman Granger	Jan 31	281	(139)	0.6	(0.56)
Photo-Me Intnl.	Oct. 31	982	(557)	Nil	(Nil)
Slimma Group	Dec. 31	534	(455)	0.558	(0.558)
Geo. Whitehouse (Eng.)	Dec. 27	125L	(101)	—	(—)

(Figures in parentheses are for corresponding period.)

Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. † For six months. ‡ Net profit—for nine months. § Fo r12 months. ¶ Attributable pre-tax. L Loss.

Offers for sale, placings and introductions

Findhorn: Placing £1.35m. 17½ per cent. unsecured loan stock 1995 at par, and 300,000 Ordinary shares at 135p each.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Aquascutum	Jan. 31	1,198	(1,084)	3.0	(2.9)	1.242	(1.129)
Astbury & M'deley	Dec. 31	504	(425)	5.8	(4.8)	0.941	(0.865)
Bestobell	Dec. 31	5,671	(4,863)	22.9	(21.3)	7.68	(7.06)
BSG International	Dec. 31	2,326	(923)	2.4	(0.9)	0.65	(Nil)
Cdbry. Schweppes	Jan. 3	38,600	(28,500)	5.2	(4.4)	2.476	(2.27)
A. Caird	Jan. 31	105	(91)	12.7	(10.6)	6.757	(6.143)
Geo. M. Callender	Dec. 31	215	(74)	3.1	(2.2)	1.1	(1.0)
Clive Discount	*Mar. 31*	*700‡*	*(822)§*	*5.6*	*(6.6)*	2.85	(—)
Currys	Jan. 28	8,082	(6,858)	15.9	(13.3)	3.695	(3.359)
Dale Electric	Jan. 3	1,589	(1,085)	31.5¶	(21.5)	4.435	(4.145)
Danish Bacon	Dec. 27	2,274	(1,769)	32.0	(24.0)	6.757	(6.247)
Delta Metal	Dec. 31	11,680	(26,350)	2.9	(8.3)	4.09	(4.09)
Ellis & Goldstein	Jan. 31	2,130	(2,439)	4.3	(4.7)	1.55	(1.431)
Fairbairn Lawson	Jan. 1	411	(128)†	5.4	(1.9)†	1.788	(0.813)†
Farm Feed	Jan. 31	269	(200)	6.4	(4.3)	3.51	(3.35)
Farnell Electrncs.	Jan. 31	1,390	(1,381)	13.5	(13.2)	3.484	(3.202)
Francis Industries	Dec. 31	467	(720)	5.7	(7.7)	2.3	(2.33)
Garnar Scotblair	Jan. 31	710	(541)	16.4	(15.8)	2.176	(2.039)
G.H.P. Group	Dec. 31	577	(891)	16.2	(22.9)	7.31	(6.72)
Harrison & Sons	Dec. 31	340L	(184)	—	(3.8)	2.244	(3.757)
Hawker Marris	Dec. 31	68	(173)	5.9	(19.4)	5.32	(4.99)
Hewden-Stuart	Feb. 1	3,017	(2,632)	6.7	(6.1)	1.43	(1.223)
Home Charm	Dec. 31	889	(607)	9.3	(6.5)	2.95	(2.725)
Norman Hay	Dec. 31	344	(323)	4.1	(3.7)	1.668	(1.538)
Huntleigh Group	Dec. 31	543	(684)	8.1	(10.5)	1.92	(1.771)
Edward Le Bas	Dec. 27	955	(511)	19.8	(9.9)	1.478	(1.365)
Leslie & Godwin	Dec. 31	3,456	(3,555)	8.5	(8.1)	3.695	(3.394)
London Utd. Invs.	Dec. 31	867	(725)	6.1	(5.0)	3.423	(3.09)
Lyle Shipping	Dec. 31	951	(2,177)	15.7¶	(35.9)	3.99	(3.681)
Manders	Dec. 31	2,066	(1,313)	6.7	(5.4)	2.069	(1.896)
T. Marshall (Lxly)	Dec. 31	867	(596)	6.6	(5.1)	2.025	(1.875)
Minet Holdings	Dec. 31	6,855	(4,929)	7.9	(5.8)	3.39	(2.16)
John Menzies	Jan. 31	2,720	(2,138)	16.8	(13.3)	3.82	(3.52)
John Mowlem	Dec. 31	2,328	(1,818)	14.6	(11.1)	4.434	(4.031)
Ocean Transport	Dec. 31	22,560	(28,977)	12.2	(13.2)	6.665	(6.147)
Root Harvesters	Dec. 31	164	(305)	3.1	(6.4)	1.665	(1.665)
Francis Shaw	Dec. 31	422	(304)	5.4	(4.3)	2.145	(1.95)
Siemssen Hunter	Dec. 31	420	(427)	4.2	(4.0)	1.943	(1.793)
Spillers	Jan. 31	15,469	(7,354)	4.5	(2.7)	2.503	(2.295)
Toye & Co.	Dec. 31	25	(224)	0.2	(4.9)	0.65	(1.256)
Utd. Carriers	Jan. 31	1,674	(1,033)	6.6	(4.1)	1.884	(1.728)
Vickers	Dec. 31	34,254	(25,934)	36.2	(27.2)	7.988	(7.351)
Wadham Stringer	Dec. 31	1,839	(1,753)	2.9	(3.2)	1.235	(1.186)
Wight Constructn.	Jan. 31	502	(450)	17.5	(17.0)	6.105	(3.025)
Wilson (Connolly)	Dec. 31	1,427	(1,214)	13.7	(11.4)	2.031	(1.873)
Winn Industries	Dec. 31	867	(805)	4.3	(3.6)	2.275	(2.144)

Rights Issues

Garnar Scotblair: One-for-five at 63p each.

Greene King and Sons: One-for-five at 106p each.

Lucas Industries: One-for-three at 188p each.

Star Paper setback

Formal offer documents have now been despatched with the 22p a share bid by Kymin Osakeyhtio-Kymmene Aktiebolag (Kymin Kymmene) of Finland for the 4.83 per cent. of the shares of Star Paper which it does not already own. The acquisition is to be by a scheme of arrangement.

In recommending acceptance, Star's chairman, Mr. John C. Burgess, reports that Star's pre-tax profits fell in 1975 to £102,000 from £2.6m. in the previous year, against the background of recession in the paper industry. No dividend is recommended.

Shareholders are also told: "The future is now as uncertain as it was a year ago and in spite of the national economy showing a slight recovery there is at present no real sign of an overall improvement in the paper industry's immediate prospects."

In reaching its decision to recommend the offer, the Board has been advised by Lazard Brothers. Directors who are also Kymin Mymmene Board members did not participate in the decision.

ASSOCIATES DEALS

Joseph Sebag, on April 14 bought 115 Lonrho at 90p and 35,500 at 92p, both for new time, on behalf of associates of Gulf International (U.K.): on April 15 they bought 50,000 at 93p and 25,000 at 97p, both for new time, on behalf of associates of Gulf: on April 20 they bought 50,000 at 100p and sold 25,000 at 98½p on behalf of associates of Gulf.

Bayfine on April 15 purchased a further 6,500 Highgate Optical at 36½p.

William Reed still says "wait"

The directors of William Reed and Sons, textile manufacturers, repeat that they do not consider the offer by Birmingham and Midland Counties Trust is one which adequately reflects prospects, and that they are not aware of any commercial logic in the approach.

This view is unaltered by the contents of the recent document containing details of the offer, they state.

The directors are still having active discussions which may lead to an alternative bid for the company with their full support, and shareholders are advised to take no action at this stage.

SHARE STAKES

Anglo-Continental Investment and Finance—Generale Occidentale has acquired a further 190,000 Ordinary shares making its total holding 23.32m. (67.89 per cent.).

O. C. Summers (Holdings)—Warren Tea Holdings has acquired a further 6,000 shares making a total of 38.83 per cent. of the equity.

BOLANDS PROFIT EXPANSION

The Board of **Bolands**, the Dublin bakery and flour milling concern, says there is no commercial justification for the proposed acquisition of the company by **Barrow Flour Milling**. A document sent to shareholders discloses that in the six months to February 28, 1976, Bolands made pre-tax profits of £440,000 (£240,000) on a turnover of £4.98m. (£4.22m.).

SW TRUSTS MERGER PLAN

Unitholders in the Slater Walker Commercial Consolidated, Slater Walker Consolidated, Slater Walker Investors General, Slater Walker Investors Second General, Slater Walker Unit "D" and Slater Walker Hundred Securities Trusts have been sent details of a scheme to merge the six trusts into a new trust, the Slater Walker Commercial and Industrial Trust.

A meeting will be held on May 20 to approve this merger which is the fourth in a planned series intended to halve the number of Slater Walker trusts to 21 during 1976. The scheme will not involve unitholders in expenses, or dilution of the value of their holdings.

ISSUE NEWS

PARKER TIMBER

Parker Timber Group's rights to raise £648,000 on a basis of one-for-five at 70p has been accepted as to 97.79 per cent. The balance has been sold in the market on behalf of non-accepting shareholders at a price of 96½p a share.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Further moderate losses

BY OUR WALL STREET CORRESPONDENT

NEW YORK, April 23.

FURTHER MODERATE losses were recorded on Wall Street to-day, following the larger than expected rise in the U.S. money supply.

At mid-day the Dow Jones Industrial Average was off a further 4.33 to 1003.38, reducing its rise on the week to 22.90, while the NYSE All Common Index gave way 19 cents to $54.65, for a gain of $1.10 on the week. Declining issues outnumbered advances by

Closing prices and market reports were not available for this edition.

more than a two-to-one margin, while the trading volume further decreased 3.10m. shares to 7.76m. compared with noon yesterday.

The Federal Reserve Bank of New York late yesterday reported that basic money supply rose $3,400m. in the latest statement week, the third consecutive weekly increase.

The rise prompted speculation that the Federal Reserve could move to tighten monetary policy.

Motors eased, although the industry reported sharp increases in mid-April sales of new cars.

Moore McCormack Resources fell $2¼ to $40 on lower first quarter profits.

American Hospital Supply dipped $⅝ to $36⅞, reflecting plans for the sale of about $75m. of Common stock.

Standard Oil of Ohio lost $1 to $69¾, following slightly higher first quarter earnings.

Homestake Mining rose $½ to $38, despite lower quarterly profits.

W. R. Grace fell $1 to $28 on lower first quarter earnings.

Du Pont were off $1⅜ to $150⅞, Digital Equipment $1 to $178¼, Halliburton $2 to $152¼, and North American Philips $1 to $27⅞.

THE AMERICAN SE Market Value Index shed 0.30 to 103.20, reducing its gain on the week to 1.30.

Greyhound Computer spurted ahead $2 to $6⅞ on Greyhound Corp's plan to acquire the remaining 16 per cent. of Greyhound Computer stock not already held.

Bic Pen edged up $⅜ to $12¼ on improved profits.

OTHER MARKETS

Canada lower

Canadian Stock Markets turned lower in moderate trading yesterday morning.

The Industrial Share Inde shed 0.28 to 192.93, Golds 0.15 to 282.27, Base Metals 0.10 to 90.17 Western Oils 0.21 to 221.83, Banks 1.28 to 250.22 and Papers 1.31 to 129.30. But Utilities firmed 010 to 139.43.

PARIS—Most sectors rose, although Foods, Electricals and Metals were steady. Banks and Oils mixed.

Americans and Dutch issues quietly mixed. Germans steadied, Canadians Oils and Coppers eased. Golds rose.

BRUSSELS—Narrowly mixed in quiet trading.

U.K., U.S. and German values fell, Dutch eased, French and Gold Mines mixed.

AMSTERDAM—Generally weaker.

Van Gelder, however, rose despite its expectation of a loss in 1976.

Trading in Bols suspended.

State Loans steady.

OSLO—Bankings barely steady, Insurances quiet, Industrials irregular, Shippings easier.

VIENNA—Well maintained.

COPENHAGEN—Mixed in fair dealings.

GERMANY—Weaker in featureless trading.

Engineers and Steels lost up to DM5, other sectors shed up to DM2.

Public Bonds narrowly mixed. Regulating Authorities sold DM6m. nominal of stock. Foreign Mark Loans barely steady.

SWITZERLAND—Mixed in selectively active trading.

Banks and Chemicals eased, Insurances irregular.

State Bonds quietly steady.

Dollar stocks slightly easier, Dutch Internationals barely steady, Germans somewhat lower.

MILAN—Irregular in slack trading.

Bonds narrowly mixed.

HONG KONG—Easier on profit-taking.

TOKYO—Market firmed in heavy turnover. Volume 320m. (260m.).

Machinery Makers strengthened on good plant exports. Chiyoda rose Y42 to 622.

Foodstuffs advanced but Resources-related issues met profit-taking.

JOHANNESBURG—Golds firmed on U.S. buying.

Metals and Coppers also firmed and Platinums were marginally higher.

Industrials little changed.

AUSTRALIA—Generally mixed in quiet trading, with Base Metals easing under sustained profit-taking.

Peko-Wallsend fell 10 cents to 5.60 and Pancontinental 30 cents to 9.10.

Banks mainly higher, with Wales firming 2 cents to 6.12 and CBA 5 cents to 2.63.

Mrs. Benn names drilling vessel

MRS. CAROLINE BENN, wife of Energy Secretary, Mr. Anthony Wedgwood Benn, named a highly-sophisticated drilling ship at South Shields yesterday—the 15,000 ton Dalkeith, the largest ship repair contract carried out by any yard in the U.K.

She will cost her owners, Salvesen Group, of Edinburgh, about $30m. The conversion contract placed two years ago would have gone to Holland but for an interest relief plan from the Government worth £800,000.

The vessel will be able to drill 20,000 feet into the sea bed in water depths of 1,000 feet and is for world-wide service, but at present it has no charter.

Indices

NEW YORK—DOW JONES

	April 22	April 21	April 20	April 19	April 15	April 14	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
Industrials	1007.71	1011.02	1005.46	988.11	980.48	974.65	1,011.02 (21/4)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (8/7/32)
Home Bonds	75.60	75.56	75.51	75.50	75.55	75.57	75.60 (22/4)	69.11 (2/1)	—	—
Transport	213.48	212.89	211.51	206.51	204.26	201.51	213.48 (22/4)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	87.62	87.77	87.84	87.07	87.17	86.18	91.90 (4/2)	84.84 (2/1)	163.32 (20/4/65)	10.58 (28/4/42)
Tr'ding vol. 000's	20,220	26,900	25,500	16,580	15,100	18,440	—	—	—	—

	April 19	April 9	April 2	Year ago (approx.)
Ind. div. yield %	3.76	3.81	3.72	4.88

STANDARD AND POORS

	April 22	April 21	April 20	April 19	April 15	April 14	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
*Industrials	115.89	116.60	115.79	114.13	115.21	112.82	118.57 (24/3)	101.64 (2/1)	134.54 (11/1/73)	3.52 (30/6/32)
†Composite	102.99	103.32	102.97	101.44	100.67	100.51	103.51 (6/4)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	April 22	April 19	April 15	Year ago (approx.)
Ind. div. yield %	3.28	3.76	3.37	3.91
Ind. P/E Ratio	14.00	—	13.58	9.74
Long Govt. Bond yield	5.49	—	5.40	6.22

N.Y. S.E. ALL COMMON.

April 22	April 21	April 20	April 19	1976 High	1976 Low
54.84	55.00	54.76	55.96	55.20 (15/4/76)	37.06 (2/1/75)

Rises and Falls April 22

Issues Traded	1,895	Up	701
Down	779	Same	415
New Highs	60	New Lows	6

		April 22	April 21	April 20	April 19	1976 High		1976 Low	
MONTREAL	Industrial	204.06	203.54	202.28	199.48	206.67	(23/2)	176.82	(2/1)
	Combined	196.25	195.69	194.82	192.44	198.87	(24/2)	175.67	(2/1)
TORONTO	Industrial	193.21	192.74	192.10	190.18	197.45	(20/2)	178.01	(2/1)
JOHANNESBURG	Gold	188.9	186.0	181.8	—	226.7	(12/3)	174.4	(5/4)
	Industrials	204.5	204.4	201.9	—	212.6	(2/1)	198.6	(5/4)

	April 23	Previous	1976 High	1976 Low
Australia (a)	453.26	454.02	472.91 (12/3)	445.32 (5/1)
Belgium (b)	104.52	104.66	115.18 (5/2)	104.34 (20/4)
Denmark (d)	103.36	103.22	107.79 (27/1)	100.20 (10/3)
France (e)	66.5	66.0	74.3 (3/3)	66.0 (22/4)
Germany (f)	787.9	790.9	821.7 (17/3)	766.5 (22/1)
Holland (g)	101.2	101.3	106.3 (5/2)	98.8 (29/1)
Hongkong (h)	450.59	437.63	465.55 (17/3)	354.53 (2/1)
Italy (k)	75.22	75.65	91.57 (25/2)	72.23 (12/4)
Japan (m)	336.73	336.36	344.51 (24/3)	326.22 (5/1)
Singapore (n)	261.66	261.66	286.16 (3/2)	236.33 (2/1)

	April 23	Previous	1976 High	1976 Low
Spain (p)	89.36	87.91	93.66 (2/1)	83.45 (1/4)
Sweden (q)	462.68	462.82	466.82 (7/4)	393.35 (19/1)
Switz'rl'd (r)	288.5	290.6	298.6 (12/3)	284.2 (8/4)

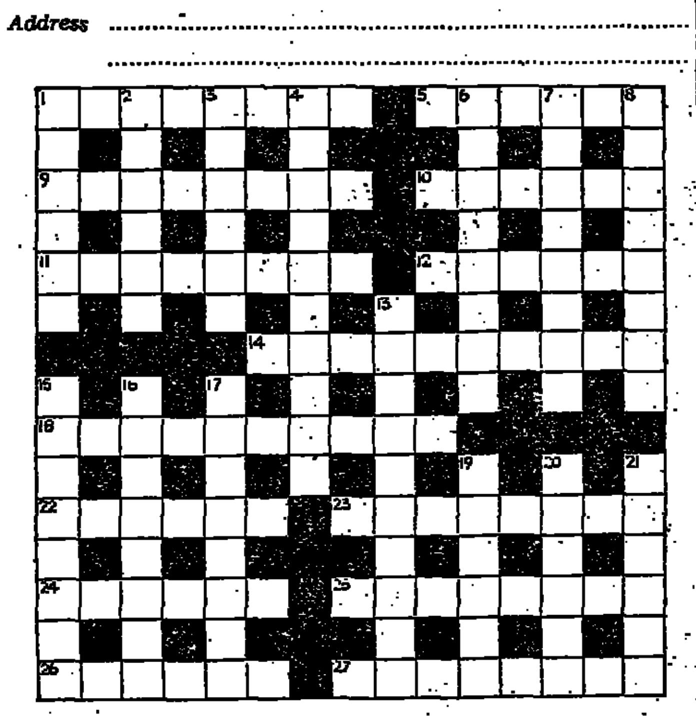
Indices and base dates (all base values 100 except NYSE All Common—50, and Standards and Poors 10; (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73. (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp. 31/12/58. (u) Unavailable. ‡ Excluding bonds. * 425 Industrials. † 425 Inds., 50 Utilities and 25 Rails.

F.T. CROSSWORD PUZZLE No. 3,062

A prize of £3 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



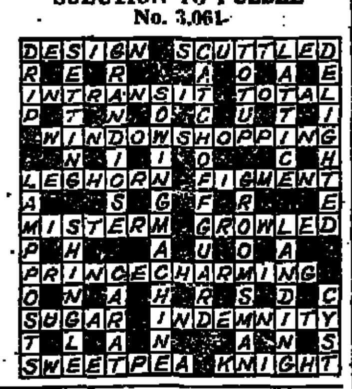
ACROSS

1 Remaining with two versions deferred (4, 4)
5 Constant critic of fresh water fisherman? (6)
9 Daredevil given prominence in Press (4, 4)
10 Warning signal to Civil Service at home (6)
11 Conservative at Transport House (8)
12 Keep away from temporary retirement (3, 3)
14 Be afraid of substitute Scots loch (5, 2, 3)
18 Company chairman is for all to see (5, 5)
22 Attack gives fool trouble (6)
23 Disturbed cacti as I made complaint (8)
24 Work one consumed as a drug (6)
25 Hat returned to one chap who is hardworking (8)
26 Oil departs with the Spanish (6)
27 Better than average score of course may be at a discount (5, 3)

DOWN

1 Working party (6)
2 Princely sound of stimulus (6)
3 Measuring instrument made in month by worker (6)
4 Former site of trade fair (10)
6 Spicy mixture taken in a car to M1 (8)
7 What happened before to spoken poem (8)
8 A tenant would like to live without tears (4, 4)
13 Breaking into small part (10)
15 Virginia and Georgia promise to pay rogue (8)
16 Goes to prison with beastly females on occasion (4, 4)
17 Don't grow up to run down (8)
19 Sex appeal family takes with some salt (6)
20 Estimate the next larger fitting (4, 2)
21 Strike repeatedly is the making of Yorkshire (6)

SOLUTION TO PUZZLE No. 3,061



SOLUTION AND WINNERS OF PUZZLE NO. 3,057

Following are the winners of last Saturday's prize puzzle: Mrs. E. M. Liversidge, 9 Milnes Avenue, Thornes Road, Wakefield, WF2 8QH Yorkshire. Mr. C. Roberts, 15 Darwin Court, Gloucester Avenue, London NW1 7BG. Mrs. D. E. Winterborne, 2 Downhills Park, Crosby, Liverpool L23 8SR.

RACING BY DOMINIC WIGAN

Take Your Place faces a big test

TAKE YOUR PLACE, who earned himself 9 st 2 lb in the two-year-old Free Handicap last season with a workmanlike victory in the Observer Gold Cup, must land to-day's Classic Trial Stakes at Sandown in impressive style if he is to retain his position as fourth favourite for the Derby in five weeks.

The colt top-quoted at 14-1 for the Derby, in which stable companion Wollow disputes favouritism with Malinowski, has done well over the close season. He went particularly smoothly in a gallop with his illustrious stablemate and those smart performers Rebec and Roussalka on Wednesday and I shall be disappointed if he cannot beat the six who face him to-day.

Kafue Park, who followed a clear-cut Aintree success by defeating St. Joles a shade cleverly at Brighton 10 days ago when he did not enjoy the best of runs, could be the answer for forecast backers.

There are few better middle-distance performers in training than Dominion and Mrs. Percy Wright's four-year-old appeals as a sound bet for the 1¼-mile Westbury Stakes in which he receives 15 lb and 12 lb respectively from Record Run and Duboff.

Dominion, whose best performance last year probably came in the 2,000 Guineas in which he finished third to Bolkonski, put up a highly satisfactory display on his seasonal debut a fortnight ago taking second place behind the top-class Chil the Kite in Newmarket's Earl of Sefton Stakes and it is difficult to see him failing here with only eight stone eight pounds.

I expect to see Joe Mercer's mount followed home by the possibly under-rated Tolmiros, who ended last season with comfortable victories here and at Lingfield.

A doubt

Two other possible winners for Mercer are the Dick Hern pair, Fiery Ring and Strabo, who go for the Gilford Handicap and the Esher Cup respectively.

SANDOWN

1.45—Big Treat
2.15—Dominion**
2.55—April Seventh
3.30—Fiery Ring
4.00—Free State
4.35—Take Your Place
5.05—Indian Warrior

THIRSK

1.30—Charley's Revenge
2.30—Polly Peachum***
3.00—Hardy Turk

LEICESTER

2.00—Haberdasher
2.30—Pass the Port*
3.30—Top Level

Fiery Ring may prove up to his task, but I doubt if Strabo is good enough to give four pounds to that impressive Newbury winner Free State.

In another highly competitive race for the Whitbread Gold Cup, April Seventh is taken to repeat his victory of a year ago, at Thirsk, Polly Peachum is preferred to the likely favourite, Honeyblest, in the Thirsk Hall Stakes.

OVERSEAS SHARE INFORMATION

SPAIN ♥

April 23	Per cent.	
Asland	230	—
Banco Lopez Quesada	650	+20
Banco Bilbao	680	+15
Banco Atlantico (1,000)	517	+10
Banco Central	780	+15
Banesto (250)	545	+10
Banco Exterior	637	+12
Banco General	770	—
Banco Granada (1,000)	343	+9
Banco Hispano	505	+10
Banco Iberico	565	+10
Induban	380	+12
Banco Ind. Cat. (1,000)	405	+13
Banco Mercantil (1,000)	720	+3
Banco Occidental	442	+17
Banco Popular	565	+23
Banco Santander (250)	780	+21
Banco Urquijo (1,000)	623	+9
Banco Vizcaya	546	+26
Banco Zaragozano	785	+12
Bankunion	350	+5
Banus Andalucia	259	—
Altos Hornos	175.25	+1.25
Babcock Wilcox	110	+4
CIC	365	+5
Dragados	623	+12
Inmobanif	130	—
E. I. Aragonesas	143	+3
Espanola Zinc	185	—
Expl. Rio Tinto	292.50	+6.75
Fecsa (1,000)	224	+2.25
Fenosa (1,000)	117	—
Finanzauto SA	300	+8
Finanzauto Servicios	310	—
Gl. Preciados	328	—
Grupo Velazquez (400)	364	−2
Hidrola	131	+2
Iberduero	156.50	+2.50
Motor Iberica	243	+3
Olarra	670	+22
Papeleras Reunidas	313	+11
Petroliber	262	—
Petroleos	439	+18
Sarrio Papalera	207	+5
Snlace	96	−1
Sogefisa	226	+6
Telefonica	180	—
Torras Hostench	368	+3
Tubacex	365	+10
Union Elec.	123.75	+1.75
Union y Fenix	445	−10
Urbis	213	—

NOTES: Overseas prices exclude $ premium. Belgian dividends are shown after withholding tax.
♦ DM50 denom. unless otherwise stated. ♣ Kr.100 denom. unless otherwise stated. ♥ Ptas.500 denom. unless otherwise stated. ♠ Frs.500 denom. unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross. div %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs: including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. ▲ Interim since increased.

NEW YORK

[illegible]

GERMANY ♦

[illegible]

MILAN

[illegible]

AUSTRALIA

[illegible]

BRUSSELS/LUXEMBOURG

[illegible]

SWITZERLAND ♠

[illegible]

CANADA

[illegible]

PARIS

[illegible]

TOKYO ¶

[illegible]

Source Nikko Securities, Tokyo.

AMSTERDAM

[illegible]

JOHANNESBURG

[illegible]

COPENHAGEN

[illegible]

STOCKHOLM

[illegible]

OSLO ♣

[illegible]

VIENNA

[illegible]

هكذا صفة الأصل

FINANCIAL TIMES SURVEY

Saturday, April 24 1976

Personal Savings

Despite inflation personal savings have risen. Building societies have been inevitable beneficiaries but recently savers have been widening their interests. Business in unit linked assurance has revived, while managed funds and property bonds are returning to favour.

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tendency has been for the saving ratio to rise during the inflationary 1970s rather than to fall. The savings ratio (the proportion of total post tax personal income that is saved) was only 2.7 per cent. during the 1950-53 period; rose to 9.5 per cent. during the 1970-73 period; topped 10 per cent. in 1973 and *was 13.7 per cent. in the third* quarter of 1975. So it seems that people save more during inflation, partly because higher incomes give them more to save and partly because they cautiously spend less money on capital goods—which indirectly leads to more saving.

People also become more income conscious during inflation and what one started to see during the depths of the bear market in equities and property was a return to the traditional pastures such as building society shares and a new interest in guaranteed income bonds and local authority loans. The average investor might realise that 10 or 12 per cent. gross was not beating inflation, but he reckoned that at least it went part of the way towards it—and, of course, many people on fixed incomes were invitably forced to look for ways to get more money flowing in. To a certain extent this is still the case, for building societies until recently were offering 7 per cent. net on shares to the basic rate taxpayer and this was about as good as one could get in a safe, flexible investment. But the fall in fixed interest rates and the revival in the stock market has also led to people looking elsewhere for income. Thus unit trusts have enjoyed a revival in their sales fortunes over the past year, though it is only recently that investors have started to look at capital growth trusts as well as income funds. All groups report that their best selling funds have been the high income funds and indeed at the tail-end of 1974 it was possible to derive an 18 per cent. yield from portfolios of risky U.K. blue chips.

Safe returns sought

By Christopher Hill

But in 1975 and so far this year one has seen a revival in most forms of savings and the variety of products on offer has increased. What one has also seen over the past few years is a more detailed knowledge of the profile of the saver and investor—aided by the production of reports such as those of the Page Committee on National Savings and the Diamond Commission on the *Distribution of Wealth and Income*. Boiled down to essentials, the average research indicates that apart from the purchase of real assets (notably houses), the trend has been for contractual saving (including life assurance and pension rights) to increase at the same time as holdings of liquid assets in building societies. The latter have probably been the biggest winners over the past two decades with a 1,298 per cent. increase in deposits over the 1950-73 period. But life assurance has also done very well with a 625 per cent. increase and the real loser has been National Savings with an increase of only 71 per cent. in value over this period. The exception within the National Savings business has been the Trustee Savings Bank.

Scanning the current scene in the savings market, one might say that the reason for the building societies' success is that, because the rate is high, it has focused attention away from the clearing banks (whose deposit rate cannot compete even with new 6½ per cent. net rate now on offer). It has also led to the local authorities fading from the scene—though it is now reported that the building societies themselves are snapping up the latest offerings from the LA's rather than the general public. As for gilt-edged stock, the main interest is from institutions but investors as a whole tend to have become more sophisticated about this form of investment. This is particularly the case at the low-coupon short end of the market where more people are now aware of the advantages of taking tax free capital gains rather than income. One reason for this is that a lot more people have been dragged into the higher tax brackets because of inflation and one cannot help wondering whether some current building society investors realise that their net rate might not be quite so attractive this year if they have quietly slipped into the higher bracket.

Tax considerations have also become more important in the marketing of unit trusts over the past year or so and here contractual plans (unit linked assurance) have been a major part of the industry's growth. Of course, the rise in the U.K. and other stock markets has produced a sizeable increase in lump sum deposits as well but (taking into account inflation) the industry has not yet returned to the lush days of the late 1960s in this respect. Contractual savings also have the advantage that the investor is not so alarmed by stock exchange fluctuations. This used not to be so important when the general consensus was that the stock market was always on a generally upward trend. But it is now that no one is certain about the long-term and memories of recent pain are still strong.

However, whereas the tax concessions to unit trusts seem to have had a favourable influence on sales this does not appear to be the same with investment trusts. The latter are a good deal more subject to the effects of institutional dealing on share prices and there has been a notable absence of the private purchaser of investment trust shares this year. The investment trusts believe that this is because unit trusts can go in for more active promotion.

Managed funds and property bonds have also improved their ratings over the past year and it might be said with justice that each have now achieved a permanent place in the savings spectrum. Property, in particular, is now looked upon as a home for part of the investor's money rather than being viewed as a more attractive vehicle than equities. Property bond sales have still not recovered to the point they reached prior to the 1974 downturn and this is probably a good sign. Whatever the protective qualities of properties—and this has been demonstrated by the record—they are still less flexible than equities.

As for National Savings, the movement is still endeavouring to modernise its role in the savings field and the new product with the most appeal is the index-linked SAYE plan. Maybe it will not look so outstanding if and when the inflation rate diminishes to single digit figures, but even so the surrender fall-back of 6 per cent. tax-free is attractive in itself.

Conventional

Apart from these conventional homes for savings, there has also been an uplift in the number of "alternative" investment vehicles such as commodity funds based on offshore funds. But these are unlikely ever to have more than a limited appeal because of the restrictions placed on advertising and promotion. What might have more impact on the saver is the call from left-wing quarters for direction of institutional funds into productive industry. Without going into the arguments for and against, it seems to me that one point which is often forgotten is that institutional money ultimately belongs to investors and if they did not like being "directed." they could always vote with their feet.

Many unaware of value of their pension

SAVING TO provide a pension at retirement represents for most individuals by far the largest savings provision in their lives. *The Diamond Commission* pinpointed pension rights as a growing source of personal wealth and the implementation of the Social Security Pensions Act 1975 is likely to boost this growth. But because such savings are, for the most part, involuntary, with contributions being deducted directly from salary, many people do not even realise that such savings are being made on their behalf.

The consequences are that members take little interest in their pension schemes and are usually quite unaware as to how they operate and what is being undertaken on their behalf. Yet by retirement age pension rights will represent, on average, about one-seventh of an individual's wealth. Therefore, it would seem prudent for people to take a much closer interest *in what is happening to this part* of their savings, how it is being invested and what level of pension is being provided.

Under the Government's new scheme, all employed persons will ultimately receive a pension based on their earnings, provided entirely by the State or just a basic pension from the State with the employer providing the earnings related part through an occupational pension scheme. The choice of method is the responsibility of the employer, but he has a legal obligation to discuss the choice with his employees.

Provision

If the employer opts for complete State provision, the employee will find that all he is required to do is to pay his contributions. Discussions on all pension aspects will be on a Government-TUC basis. The employee will obviously expect to receive his pension in due course, but ultimately the level of benefit will depend, despite the Act, on how much our children and grandchildren are willing to pay in contributions.

However, if the employer decides to make pension provision through a private scheme, the employee can get involved, not only in discussions on benefit levels, but in the investment of the pension fund assets. The legal requirement of employers to consult with employees over the decision to contract-out or not should provide the opportunity for employee involvement in the running of pension schemes.

In discussing benefit levels, individuals should remember that their investment through a private scheme carries the maximum tax advantages, both in relief at the top rate on the contributions paid and in the fund itself being virtually free of all forms of tax. The individual should, *therefore*, seek the highest benefit level within the scheme, even to the extent of paying higher contributions himself. If he tries to augment the pension by investing privately, he will find his fund suffering penal taxation.

Most private pension schemes ensure that the benefits are fully funded on an actuarial basis so that the financial solvency of the fund is completely secure. This has meant that private pension funds have a steady flow of money for investment each year and that over the years the funds have built up to a considerable size.

The investment of the assets of a private pension scheme is the responsibility of the trustees of the fund, possibly their most important function. An increase of 1 per cent. per annum in the yield can over 25 years reduce contributions by 10-15 per cent. The employee is vitally affected by the investment policy of the trustees acting on *his behalf*.

Pension fund investment is very long term—40 years from the first contribution to the first pension payment—and pensions are usually geared to final salary. Thus the contributions have to be invested in holdings that will keep pace with salary inflation. The trustees' actual involvement in investment will depend on the type of pension scheme—whether it is self-administered or an insured scheme with a life company.

If it is the latter, then the insurance company is automatically responsible for the investments and the rôle of the trustees is in the choice of life company. If it is a self-administered fund then the trustees are involved in investment unless they appoint an investment manager. This is usually the case and there are a host of financial institutions offering investment management services to pension funds. The employees should be involved in the decision to appoint the investment managers or the life company as well as being told the reasons for the type of fund.

Employees should not expect to get involved in the detailed administration of the investments of a self-administered fund. That is a task to be left to the experts completely, however much the individual feels that now is an opportune time to buy a particular stock. Such considerations must be left to the managers. *It is* in the consideration and discussion of the major investment policy decisions that employees should *participate*.

To keep pace with salary inflation, the investment emphasis will be on equity and property investment, both within and outside the U.K., with fixed-interest forming a much smaller proportion of the portfolio. The members of the scheme should be involved in the discussions that determine this mix, even though it will be the investment managers that usually suggest what the proportions should be. It is interesting to note that some *companies are encouraging* employees to sit on the Board of trustees anticipating the trade unions' demand for legal 50-50 *representation*.

In connection with investment policy decisions, the discussions taking place on the Equity Bank proposals and the direction of investment by financial institutions, including pension funds, is of vital importance to the general public because it is their savings that are being used. This fact tends to get played down in these talks, yet it should be the overriding consideration.

Finally, there is the need to check periodically on the investment performance of the pension fund. The means of doing this would fill a book, let alone a brief article, but the trustees, acting on behalf of the members should ensure that performance is up to standard.

In contrast to the employed, the self-employed have to make their own arrangements if they want an adequate pension, for *they will receive* very little from the State. However, they can get maximum tax relief on their pension contributions, up to certain limits, which have just been raised in the Budget.

Thus the self-employed are undertaking a voluntary savings act when *making pension* provision, although to get the tax relief they must use a pension policy issued by a life company. *If they operate their own funds*, they will be heavily penalised as far as tax is concerned.

Passive

The individual can adopt a passive role by simply taking out a traditional annual premium policy or an active one by investing each year's contributions according to current investment conditions using unit-linked contracts. The investor has to choose a contract with a life company and there are over 100 policies on the market. The handbook published by Fundex entitled "Self Employed Pensions and Plans" provides a comprehensive summary of all the contracts available and the life companies who market them.

Briefly, the investor's choice will depend on three factors. First, what element of guarantee is required in the ultimate pension level. Secondly, how active does he wish to be in managing his contracts and, finally, the degree of investment risk he is prepared to take. Traditional without-profit policies guarantee the entire pension with no degree of involvement, but at the end of the day have, so far, provided a *lower pension* than a corresponding with-profit contract. The return on a unit-linked policy depends on the type of fund and, most important, the timing of retirement. Such policies carry the greatest risk, but can provide the highest rewards.

Eric Short

Boom in life assurance

LAST YEAR, the U.K. life assurance industry recorded an unprecedented increase of 26 per cent. in its new business figures, outperforming the rate of inflation for 1975. The industry was naturally gratified at this performance, reflecting the continuing popularity of life assurance as a medium and long term savings media. But it also represented a renewed vote of confidence by the saving public in the future of the life assurance industry.

Some people had expressed doubts as to whether any savings media *could* long survive in a climate of high inflation and negative returns. Savings were expected to decline as investors gave up the unequal fight to preserve the real value of their assets. Last year, however, the reverse happened. The amount of savings steadily increased and the life assurance industry fully maintained its share of the market.

The other significant feature of this new business buoyancy was that the financial difficulties *of a few life companies* had not soured the public's confidence in the life assurance industry. These difficulties had *rather the reverse effect. They* highlighted the strength and stability of the remaining 99.9 per cent. of the industry, which weathered the *1973-74* bear market.

What has the life assurance industry to offer the saver? Chiefly, it provides a regular savings vehicle for investment periods of 10 years and upwards. Above all, it possesses two outstanding advantages over other forms of saving—life cover and tax relief on the premiums paid.

Emphasis

Doubts have been expressed in some quarters of the life assurance industry that, in *marketing products, too much* emphasis is placed on the investment potential. The prime consideration should always be *on the life cover provided and* protection should not be treated as a fringe benefit. But a savings policy is in effect an insurance *against survival and for the* younger savers, the odds are on survival. The provision of life cover is often regarded as a useful perk, even with traditional with-profit endowments. This was shown during March when there was a rush by investors for the old type of maximum allocation plans ahead of the new qualifying rules.

The investor who uses life assurance for regular savings can claim tax relief on his premiums, provided certain conditions are fulfilled. This relief is at the basic rate of tax on one-half of the premiums, which means in effect that the investor gets 17½ per cent. overall tax relief, there being an upper limit of the premiums not exceeding one-sixth of the investor's income.

The conditions to be fulfilled are that the minimum term of the policy must be ten years and that the contract must provide a guaranteed minimum death cover. For fixed term policies, this cover must be at least 75 per cent. of the premiums payable, while whole *life or open-ended contracts* must guarantee 75 per cent. of premiums payable to age 75. The level of guarantee progressively reduces for the older ages.

For the first 200 years of its history, the life assurance industry had offered investors the choice of two basic products. One was a without-profits contract under which a guaranteed sum was paid at the end of a *chosen term or on previous* death. Thus the investor was getting in effect a fixed-interest investment with such a policy.

The other product was a with-profits policy, which for the same premium provided a lower guaranteed sum at the end of the period compared with a without-profit contract. But these contracts share in the profits of the life fund as determined by the actuary and take the form of a reversionary bonus declared at regular intervals. *Although there are several* methods of declaring such bonuses, the effect is to increase the sum payable at maturity of previous death.

Thus with-profit policies are a type of equity investment. The ultimate return on the contract depends first on the investment performance of the life fund and secondly on the amount of *surplus the actuary is prepared* to make available to policyholders. But overall the return per unit premium to the *investor should be much higher* for a with-profit compared with a without-profit policy and this difference has been accentuated *in times of inflation and rising* interest rates.

Over the past ten or more years, there have been several radical changes in the life assurance industry, following the advent of unit-linked contracts. This introduced a new dimension into life assurance as a savings media — the investor fully participating in the investment performance of the underlying fund.

At first these new unit-linked contracts were marketed by *newly formed life companies* and they started a new era of marketing of life products and inaugurated a greater in-depth *study of the investment* requirements of the consumer. The long-established life companies have followed the lead given by *these new companies to* an extent not foreseen ten years ago.

Premiums

One notable trend in meeting the needs of the investor is the switching from annual to monthly premiums, using direct debit facilities for making the payments. Payment of annual premiums is a relic from the past when life assurance was still primarily concerned with protection and people paid for this on the same basis as they paid for house insurance. When the objective of taking out a life policy is regular savings, monthly payments are the logical method.

The other contrasting feature of unit-linked life assurance is the flexibility in the term of the contract, compared with the rigidity of conventional with or without-profit policies. Because *there is no investment guaran*tee with unit-linked policies, there is virtually no difference between the return on a ten-*year policy and on a whole life* that is cashed-in after ten years. Consequently, unit-linked policies can be written without any fixed maturity date and the investor simply cashes-in the policy when he wants to realise his investment.

The advantages of this form of contract are immediately obvious and certain of the conventional life companies have attempted to introduce flexible endowment policies to get away from the rigidity of fixed-term policies, but still maintain a high level of guarantee in the cash-in values. Such contracts make useful additions to the product range of life companies but they do possess certain disadvantages that may not be obvious to investors. Some life company actuaries are very much opposed to the whole concept.

The investor interested in life assurance as a regular savings vehicle has to make the choice between traditional with-profits or unit-linked. Essentially the choice depends on how much guarantee the investor requires in his return and how flexible is

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PERSONAL SAVINGS III

Banks widen their involvement

ALLY THE U.K. banks concentrated tion on ordinary siness but if cus- any financial prob- ere always able to the local branch or assistance. The managers were fairly ersant with most finance, and should en unable to help er he could always the back-up team at But now the U.K. promoting a wider aried financial ser- ir ancilliary opera- y the clearers still of a "soft sell." in in line of approach for assistance covering such areas as insurance, taxation and investment is via an initial enquiry to the local bank manager. Although, of course, most branches have a display of various leaflets indicating the spread of services available, the marketing policies could hardly be labelled aggressive.

For the customer wishing to invest, all the banks can offer interest paying deposit and savings accounts, as indeed they always have done. Though now the clearers, including the Trustee Savings Banks, have branched out into the field of unit trust investment and managed bonds, under in-house management. All the banking groups offer a wide spread of various styled trusts such as income trusts and capital trusts, etc., which in the broadest terms are all similar at one bank to those on offer at another. In this sense there is probably little else the banks and Trustee Banks could offer the saver, but they have spread their specialist services to cover related areas of financial interest, which are obviously relevant to the customer.

For example, independent insurance advisory groups have been set up to cope with the increasing demand from customers for guidance. To the extent that this is a new service —both the Midland and National Westminster have set up their independent groups within the past four years—is perhaps misleading as this type of advice was always on tap. However, giving a separate identity to these divisions at least gives them the sense of independence which would be associated with, say, a straight insurance broker.

Certainly the insurance divisions of the banks feel they are offering a similar service to the brokers and they are not tied to in-house products. Their independence is essential in the advice they give, for if the guidance offered was biased, not only would this sour relationships between customer and bank manager but possibly between the manager and insurance advisor, with the end result that the advisor would end up with little business, from the branch managers.

Though the banks' insurance arms are offering a service similar in style to that of insurance brokers, it is unlikely that they will be in direct competition. For the customers that are approaching their bank manager for advice are unlikely to be the clientele of an insurance broker. So the banks are developing a relatively untapped insurance market.

Guidance

In a similar vein the trustee departments are also offering guidance on pensions. Whether it be for the self-employed or those committed either to the state scheme or occupational schemes, but wish to top it up with a personal pension plan, the banks can usually offer something of benefit.

Another spin-off service is tax advice. Until recently there were thriving estate duty planning departments ready to help but the advent of Capital Transfer Tax has rather knocked those on the head. Still there are evidently a greater number of inquiries from small to medium sized family businesses to the merchant banking division for advice regarding CTT.

But CTT apart, help can be obtained for fairly ordinary income tax problems. Not only can assistance be found with complex tax matters but also the more run-of-the-mill annual returns, etc. The depth of this service will obviously vary depending upon if the bank manager can help himself or has to call upon the regional offices. Though a fee may be charged for the work involved, it is claimed to be competitive with that charged by private practising accountants. Here again the banks are encouraging a sector of the public who would be unlikely to commission the services of a private accountant.

Perhaps there is very little new that the banks are offering that customers in the way of financial services, than they had on tap years ago. But the change seems to be in the way it is presented and carried out. Barclays Bank is possibly the most aggressive in its approach, not only publishing in depth literature on its own services, but "loss leading" type of booklets on house purchases, school fees, etc. However, there is a spin-off even from these booklets in, say, setting up bridging loans or the commission on an insurance.

One of the more unusual features with Barclays' attempt to offer an overall financial service was the "Moneydoctor" scheme. Basically this offered a complete financial check-up. It was fairly exclusively aimed at the middle management area and it turned out to be very popular when its was first introduced. The customer had to fill in a very detailed questionnaire and a trained team would comment on all financial aspects—everything from insurance, investment and whether the customer was too heavily committed to one sector or another. Obviously Barclays pushed its own facilities to the extent that the client would be informed of various unit trust schemes if it was appropriate to his position, but the idea was for a relatively impartial assessment. However, the popularity of Moneydoctor has declined with the increase in charges, currently treble the charge of £25 at its inception.

The services offered by the Trustee Savings Banks up to now have been fairly limited. Unlike the clearing banks ordinary accounts pay interest with the TSB, but elsewhere the opportunities to investors are limited to various unit trust schemes, which are basically linked with either the TSB's General or Scottish trusts.

Advice

The TSB has entered into the area of insurance advice. Here there are area representatives responsible for say six or seven branches, and customers can gain information on insurance plans, such as the TSB's Family Income Plan. Though both the area advisor and the bank manager would have ground knowledge in other financial matters such as taxation, the TSB's service could not compete with the clearers. Yet since the Paymaster General has accepted the basic ideas of the Page Report that the TSB should develop along the lines of the clearing banks, there are bound to be new services coming on stream. While TSB probably has a lot of plans under its hat nothing has really emerged yet though this year could see it moving into other ancilliary services, even if it is cautious in its moves towards commercial banking facilities.

Terry Garrett

Life

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the timing of the ultimate maturity or cash-in.

There are now nearly 50 unit-linked contracts which have been operating for over 10 years, so now some meaningful comparisons can be made against with-profit performance over a 10-year period. These indicate that the best unit-linked funds will outperform with-profits, but the worse will underperform; a feature about which commentators have been arguing for some time. The only drawback is to pick in advance the best performers.

Eric Short

Unit and investment trusts

A DISCUSSION of the relative merits of unit trusts and investment trusts is not a new debate, though it remains relevant for anyone considering the possibility of equity investment for the first time.

Both forms of investment were originally intended to appeal to the small investor, who had neither the time or knowledge to manage a fund of shares, nor the cash to achieve a reasonable spread to avoid risk. Times have changed, however, and it is possible to make the first major distinction: investment trusts are now something largely for the professional fund manager or institution, while authorised unit trusts remain by and large for the small- to medium-sized investor—though attempts have been made to lure the large private investor, too.

Another easy distinction is the fact that one (the investment trust) is a fixed capital, and therefore closed-end fund, while the unit trust is an open-ended fund—its size depends not just on performance but on unitholders putting in and taking out money. With the latter the unit price is equal to the collective valuation of the pool of investments divided by the number of units in issue so that the price always reflects asset value. The investment trust, on the other hand, has a share price which is exposed to the normal stock market pressures of supply and demand and there is always a gap between the asset value of the fund and the share price: this is referred to as the discount or premium, whichever is appropriate to the circumstances. At the moment the average discount is of the order of 30 per cent., and some would argue that this is a method of buying shares cheaply. However, if the price never moves closer to "par," then this is not worth anything.

The investment trust market is a highly researched one and there are a number of stockbroking firms who specialise. It is really only possible to say with certainty what the contents of an investment trust portfolio are at the time of the annual report and accounts, but it is possible between times, with the aid of a computer or perhaps a clerical staff, to apply the various movements of the sectors and world stock markets so that a pretty accurate stab at the likely asset value can be made at any given time. These statistics are passed on to the institutional clients who watch the discounts like hawks and who are in and out in a flash if necessary to make a profit.

This is hardly the area for the smaller investor to venture into alone, though one way is through an authorised unit trust which specialises in investment trusts. In theory, there are two layers of investment management at work: the investment trust manager who selects the shares in the portfolio and the unit trust manager who selects the investment trusts. Whether this actually works in practice is another argument altogether, although there are plenty of investors who do appear to be convinced. The largest unit trust of all—by probably approaching £100m.—is the Save and Prosper Fund of Investment Trust Units (ITU) which had a value according to the Money Management and Unitholder "Unit Trust Year Book" of around £160m.

Problems

The open-end nature of the unit trust does present some problems for the fund manager. It has long been the heartfelt cry from fund managers that the public buys and sells units at the wrong times: that is, they come in at the top, after the shares have risen, and sell at the bottom when values have fallen and they are disillusioned. Acres of print have been bought in newspapers to influence investors in the right direction, but to no avail. Anyway, the fund manager is having money taken out of the fund when he should be putting cash into the market: therefore, he probably has to sell some stock to meet the repurchases. And, conversely, he is being given money to invest when he should be liquidating stock. There is a classic conflict here. Should the investment manager go against the wishes of incoming unitholders, who presumably expect their cash to be invested in shares, or should he keep the money in liquid form until circumstances are better? The investment trust manager is not plagued by such considerations.

Another restriction on the unit trust manager is his inability to "gear"—that is, borrow money to invest to exaggerate the investment performance. The investment trust that has no gearing is a rare animal indeed. However, some would argue that this has really been a protection for unitholders worth having since the wrong use of gearing can emphasise performance in both directions: thus, a fund manager who uses the gearing to go into a market which subsequently falls is exaggerating the decline. Certainly, enough managers have come to grief on the use of multi-currency loans to convince one that there is some truth in that theory.

There are some restrictions in the other side, too. Probably the main one is that any publicly quoted company cannot advertise its shares. Unit trusts can and do advertise heavily in order to attract investors, while the investment trust has to rely on the overtures of stockbrokers and the like to bring in the buyers. Also, the linking of life assurance to unit trusts has been another winner. The fund manager is happy because those investors committed to a regular premium contract do at least keep the money rolling in month after month. And the investor is spared the decision of timing and gets the benefit of "pound-cost-averaging."

But marketing does have an undesirable influence in some ways. First, since investors only really respond when the market has risen the managers will advertise at these times and help to bring about the situation mentioned earlier where the investment manager always has the flow moving in the wrong direction. Second, the public will tend to go for a new fund with a topical title or objective and therefore the old funds do not receive the same publicity and, some would say, attention in general. Any neglect is compounded by the structure of management charges, which give a high initial charge and a low annual charge, thereby making it much more lucrative to sell new funds. That is why we have around 360 different authorised unit trusts, many of which were originally created to cater for the fashion of the time.

But for all their faults, trusts do have an awful lot going for them. They do offer the smaller investor the chance to participate in shares in a relatively safe, uncomplicated and cheap way. Both investment trusts and unit trusts enjoy Capital Gains Tax concessions on their portfolio transactions, and linking to life assurance in the case of unit trusts affords the investor considerable income-tax reliefs. From the multiplicity of funds available, it is also possible to cater for every taste, whether it be geographical, sector-wise, income or growth.

It is significant that one of the major fund-raising methods for the unit trust groups at the moment is the share exchange scheme. People who have become tired of managing their own portfolios can switch direct into units. If shares in their portfolio are well-known, and can be slotted into the unit trust portfolios it is possible to receive a middle market price or even an offer price in some instances. A same private fund, liquidated in the normal way, would attract only the bid price, less a stockbroker's commission and less stamp duty. You cannot guarantee the performance of the units in the trust, but you cannot argue against the sums either.

Keith Lewis

Traditional havens

SAVINGS AND investment, as every schoolboy knows, are opposite sides of the same coin, so far as the economy as a whole is concerned. Every act of saving, as long as the proceeds are not hoarded in a sock under the bed, corresponds to a flow of investment spending. At the individual level, this is still true in that most reasonable people wish to see some reward for parting with spending power. But in everyday terms there is a crucial difference between the saver and the investor. Individual saving has been concerned with maintaining the nominal value of capital and also with earning the highest possible rate of interest on it. Investment, on the other hand, has been directed towards the maintenance of the real value of capital; and yield as such, whether it comes in the form of income or capital gains, is of secondary importance, as both are in money terms.

The National Savings institutions and the building societies have been the traditional havens of the modest saver for generations, but following the publication of the Page report and under the impact of accelerated rates of inflation, the first set of institutions have been changing their spots. And the building societies, whose rigid interest rate structure has fuelled a vast inflow of funds in the past 15 months, are still the main source of mortgage finance and give priority to regular savers in the allocation of funds.

Critical

Since the Page report was published in 1973, which was highly critical of the National Savings movement and the raw deal it handed out to savers in comparison with other risk-free investments, three of its main recommendations have been put into practice. The National Savings stamps, expensive to run and archaic, are to be withdrawn from sale by the end of this year. Encashment is still allowed after this date and for those who have used the stamp to save up for television licences, a special television licence stamp is to be introduced in August. The Trustee Savings Bank has been separated from the Movement and is now another force in banking. The terms of existing National Savings schemes have been brought into line with current financial conditions but, possibly the single most important development has been the introduction of index-linked savings schemes.

The traditional National Savings vehicles have been updated in the past few years. The current fourteenth National Savings Certificate offers a compound rate of interest of 7.59 per cent. over a period of four years and being free of tax is equivalent to over 11½ per cent. gross at the standard rate of tax. And the new "Jubilee" issue of British Savings Bonds, available in mid-summer, offers interest of 8½ per cent. a year, with a tax free terminal bonus of 4 per cent. at the end of five years. The current issue yields 9¼ per cent. and the present issue is a reflection of the fall in interest rates, but the gross yield available is still a healthy 9.57 per cent. Last year the Premium Bond prizes were increased substantially to £50,000 a week, £75,000 a month and a new monthly prize of £25,000.

The major development in National Savings has been the introduction of two, experimental, index-linked savings schemes. These are linked to the Retail Price Index. The first is for people who have reached retirement age and the second is a save-as-you-earn arrangement. Under the terms of the retirement issue, up to £500 per person can be invested in £10 units and may be held until the fifth anniversary of the purchase. Linking starts to operate after the first year (before then purchase price only is repaid) and repayment values, apart from increasing in line with the RPI and therefore providing a "real" rate of return, attract a bonus of 4 per cent. after five years. On death, the certificates can be passed on to another person of retirement age, if younger contributions only will be repayable.

Save-as-you-earn Third Issue is an arrangement whereby an individual pays fixed monthly amounts of between £4 and £20 for five years, each of the 60 contributions being separately revalued in line with the movement in the RPI. The 12-month rule applies also here, and in addition, between the first year and the fifth, only a 6 per cent. return is offered. After five years, the money can be left invested for a further two years and no more contributions are needed. The contribution will be index-linked, and on the seventh anniversary of the contract, a tax free bonus equal to two months contributions is payable.

Although at this stage, the sums involved are pretty small beer—an equivalent lump sum of £1,200 is hardly likely to interest the rich for whom the scheme is anyway not intended—but even at current, if decelerating inflation, the return is impossible to beat by the private sector. The building societies, for one, cannot follow for fear of what it might do to mortgage repayment schedules but the societies, in any case, have been attracting savers in droves because of their relatively high interest rates. In 1975, net shares and deposit receipts increased by £4.2bn.—nearly double that for the previous year — and in the first quarter of the current year the inflow was £1bn., even before taking into account interest of £250m. Society mortgage rates, until next month's change, had been unaltered since September 1973 and rates for investment has been cut only once by ¼ per cent. in June 1975. So next month's ½ per cent. cut, which still leaves a gross yield advantage to 4½ per cent. to building societies over clearing bank deposit accounts, is hardly likely to stem the flow.

Development

An interesting development in recent months has been the introduction by Alliance Building Society of an Invest and Insure Bonus plan which attacks the old problem of uniting the tax advantages of regular life policy savings with those of building society deposits. A lump sum of between £1,000 and £9,000 is paid and the interest is used to pay premiums on a 10-year policy. The beneficiary is free of all taxes and Alliance pay a 2½ per cent. maturity bonus on the original sum. In this way, a larger sum can be accumulated than by rolling up deposit interest and the saver benefits from the traditional tax advantages on life policies.

The scheme offers the usual mortgage advantages and life assurance can be used in repaying any loan. It also opens up possibilities for introducing a flexible endowment contract, in the style of Sun Alliance's flexible mortgage repayment scheme, as Alliance's policy is a traditional with-profits contract. But aside from yield and mortgage advantages, building societies also score heavily on security and accessibility of funds and relative simplicity of investment—interest, for example, is credited net of tax. The societies have recently been attempting to lengthen the sources of funds available to themselves by introducing term schemes and regular fixed savings schemes which offer a higher rate of interest than deposit or share accounts. In this way, the needs of ordinary savers, in whatever guise, can largely be satisfied and it may be that erstwhile holders of guaranteed income bonds have been deflected into the societies on maturity.

Terry Wilkinson

Fixed interest nervousness

DURING THE last bear market when equities were crashing at a staggering rate while at the same time inflation was running at an unprecedented high level many investors looked to gilts and high yielding corporate stocks as a means of protecting capital values. This move to seek a strong income element has continued, despite the current revival in equities, as investors anticipated a downward movement in interest rates. This was certainly the case in the early months of 1976 but there are now more apparent pressures to get interest rates higher again. However, the demand for gilts in the month of January was so strong that turnover figures hit record levels. The turnover figure was £13.7bn. compared with the previous peak of £8.4bn. in the previous January. The key factor here was a sharp drop in interest rates with a full point drop to 10 per cent. in the Minimum Lending Rate during that month. Such was the extent of the demand that gilts rose about 4½ points in the last week of January taking the Financial Times Government Securities Index to 65.21, the highest figure since November 1973.

Since then the MLR has fallen to 9 per cent. but gilts have drifted off the top. Over the period the market has had to contend with the White Paper on public spending measures, the Budget and the possible conflict with the unions and more important the fast dwindling value of the pound.

Forecast

The medium term forecast for inflation is also disturbing for gilts for these are tending to rise despite the Chancellor's reaffirmation of a single-figure target for next winter. This position, of course, is not helped by the continuing fall in sterling.

While the March trade figures were encouraging the Government's borrowing requirements coupled with speculation on interest rates, particularly, in view of recent developments, are bound to leave gilts in a volatile state. This, of course, makes the market extremely technical which in turn leaves the private investor with a number of headaches when managing a gilt/fixed interest portfolio.

Having said this gilts on an income basis are looking attractive in comparison with other forms of fixed income securities. Although the yield at the long end of the market has fallen from the peak figure of 18 per cent. the extent of the recovery in equities has meant that the reverse yield gap—the difference between the yield on consols and equities — has widened to a very high 9 per cent. So if the investors accept that gilts are now likely to move in a volatile manner short term and are prepared to take the obvious risks, there are attractive situations, to suit most tax needs.

High tax payers, taxed on income, would concentrate on low coupon stocks where there would be reasonable scope for capital appreciation since gilts are not subject to capital gains tax if held for more than one year. Two such low coupon stocks that give a very low running yield but a more attractive redemption yield are Treasury 3 per cent. 1977 and Treasury 3 per cent. 1979. Both are giving a redemption yield of over 8 per cent. while the flat yields are over 3½ per cent.

One way that is always worth a mention whereby a high tax payer can boost his return is to deal special ex. If a stock, other than those with a life of up to five years (shorts) is bought special ex.—this in effect means in the three weeks before the stock actually goes ex-dividend—and held for one year and one day, thereby avoiding capital gains tax, only one dividend would have been received while the dividend that would be accruing is deemed as a capital gain and as such free of tax.

Low taxpayers' needs are naturally different since these would be looking for a high running yield with a limited risk to capital values. Given the worries over interest rates it would not be in the interest of the smaller investors to invest long-term since a sharp drop in interest rates would entail a significant loss in the original capital value if there was a need to sell. As such it would not be wise to buy stocks with a life of more than 10 years.

Because of the drop in interest rates in the early part of this year a number of the high coupon stocks were standing above par so if these stocks were held to maturity the investor would incur a slight loss on his capital outlay. In the high coupon stocks it is still possible to obtain flat yields of between 11½ per cent. and 12 per cent.

At the longer end of the market it is possible to obtain yield of over 13.9 per cent. but price movements here are far more volatile in times of long-term uncertainty over interest rates and as such should be left to the institutional investors.

The move towards better income situations has also boosted demand for corporate fixed interest stocks. With a dearth of new issues here for a number of years now there is naturally a limited amount of stock in the market. The position has been further aggravated by the desire to purchase stock where there is a possibility of an early redemption by the company. There has in fact been a number of early redemptions or the company actually purchasing the stock in the market. The effect of this reduced the yield differential between debenture stocks and gilts to an extremely low figure of 30p per cent.

The yield differential has now widened to a more realistic figure of about a £1 per cent. and since from the beginning of May it is possible to deal free of stamp duty in debenture and loan stocks the corporate fixed interest sector could once again be worth a look.

Top line names such as Barclays Bank, Courtaulds and Guest Keen are giving redemption yield of between 14 per cent. and 15 per cent. to a buyer but on more speculative issues it is possible to obtain a yield of up to 25 per cent.

Unsecured loan stocks, which obviously have a greater risk element can offer yield of up to 15 per cent. in top line companies and over 27 per cent. in the speculative end.

If an investor is seeking income but is not in a position to take any reasonable risk he should either concentrate on such areas as local authority yearly bonds, which are now very popular, or a diversified portfolio that can be obtained through high-yielding unit trusts.

While it is clear that there is a wide variety of income situations to fit most needs it must again be stressed the market is currently extremely nervous about the future for interest rates and the movements over the past few days must surely hammer the point home.

David Wright

APPOINTMENTS

Main Board appointments at Richard Costain

Mr. H. D. Newell and Mr. J. F. Reeve have been appointed to the Board of RICHARD COSTAIN. Mr. Newell is managing director of Costain International and is responsible for the group's overseas contracting activities. Mr. Reeve is managing director of Costain U.K. and is responsible for the group's U.K. contracting activities.

★

Mr. Gordon Pope has been appointed chairman of GOULD ADVANCE in addition to his position as group vice-president, Gould Instruments and Electronics Europe. Mr. Pope was managing director of Advance Electronics before its acquisition by Gould in September, 1974. Mr. Tony Jannece has been appointed director of finance for Gould's corporate European activities. He will continue to be responsible for the financial control functions of Gould's Instrument and Electronics Group in Europe, a position he has held for the past year.

★

Mr. Hugh McMichael has been appointed chairman of the EDINBURGH AND DUNDEE INVESTMENT COMPANY to succeed Mr. George T. Chiene, who will remain a director for one more year. Mr. William L. Milligan has retired from the Board after 26 years as a director.

★

Major-General R. S. Marshall has been appointed a special director and defence adviser to the chairman of the Guided Weapons Division of BRITISH AIRCRAFT CORPORATION. On joining BAC in 1970, General Marshall was appointed assistant to the chairman, Guided Weapons Division, with special responsibility to oversee its Rapier project. He became Army adviser to the division in 1973. This new appointment is intended to enable Lt.-Col. H. Lacy, London director of the division, to devote his time primarily to NATO and European collaboration at policy level.

★

Mr. Miles James Rivett-Carnac has been appointed a director and managing director of BARING BROTHERS from May 1.

★

Mr. Homer Crawford, vice-president and secretary, has been elected a director of ST. REGIS PAPER. He joined the company in 1956 as corporate secretary and was elected a vice-president in 1970. Additionally, the Board has appointed two vice-presidents, Mr. John P. Berdelt, controller, and Mr. Scott B. Weldon, divisional general manager, printing and packaging papers division.

Mr. K. J. Gardiner, at present director (international), Joint Credit Card Company, has been appointed an assistant general manager, MIDLAND BANK, from May 1.

★

LIVERPOOL DAILY POST AND ECHO has announced the following changes in its Board. The chairman, Mr. Bertram Nelson, retires and is succeeded by Mr.

Maj.-Gen. R. S. Marshall

H. B. Chrimes, previously vice-chairman, and a non-executive director since 1973. The new vice-chairman is Mr. T. B. S. Johnson, a non-executive director since 1971. Mr. J. M. Brown, a non-executive director since 1962, retires. Two new directors are appointed in place of Mr. Nelson and Mr. Brown: Dr. B. F. Willetts, a deputy chief executive and main Board director of the Plessey Group, and Sir Geoffrey Wilson, chairman of the Race Relations Board.

★

Mr. T. Green has been appointed a director of TAPPAN INTERNATIONAL SALES, the U.K. subsidiary of the Tappan company, U.S.

★

Mr. P. D. T. Roberts has been appointed managing director of UNITED KINGDOM COLD STORAGE, a subsidiary of the Proprietors of Hay's Wharf, in succession to the late Mr. G. N. Bezer.

★

Mr. Gordon Brace has been appointed general manager of the NATIONAL EXHIBITION CENTRE. Mr. Brace will take up his new duties on July 1 on leaving Watney Mann Truman Brewers, of which he is currently director of operations (West).

★

Mr. H. K. Annett, U.K. representative in London of CREDIT COMMERCIAL DE FRANCE, Paris, will become from May 1 senior representative in London while keeping his appointment in Paris in the management of the international department. Mr. Marc de Guillebon, previously representative in Melbourne, and at present in the Euro-currency loans section of the international department in Paris, will be seconded to the London representative office from May 1 as resident U.K. representative.

★

Mr. N. C. Gardener has been appointed sales director of PAUL DE LA PENA.

★

Mr. David Tyson has been appointed Northern divisional director of LIGNACITE PRODUCTS. He was previously sales director.

★

Mr. J. L. T. Davies has been appointed general manager of the WORLD BUREAU OF METAL STATISTICS.

★

Mr. D. S. Fish has been appointed technical director of MILSHAW HYDRAULICS, part of the Butterfield-Harvey Group. He was previously technical sales manager.

★

Mr. N. Halfhead, after 30 years as a partner, is to retire from the position of senior partner in LAURIE MILBANK AND CO., stockbrokers, on April 30, but will continue as a partner in a non-executive capacity. Mr. A. M. Everett will become senior partner on May 1, and Mr. W. D. Wallace will join the partnership on the same date.

★

Dr. Tom Watson has been appointed division general manager of BXL FLEXIBLE PACKAGING DIVISION from May 1. He is at present general manager of BXL Synthetic Paper Group.

★

Mr. James Quinn, who succeeded Professor Asa Briggs as chairman of the NATIONAL PANEL FOR FILM FESTIVALS in 1974, has been reappointed to serve for a further two years. Mr. Quinn, who was director of the British Film Institute from 1955 to 1964, is an independent producer and exhibitor.

[COM]MODITIES/Review of the week

[Ne]w peaks for cocoa and coffee

[BY OU]R COMMODITIES STAFF

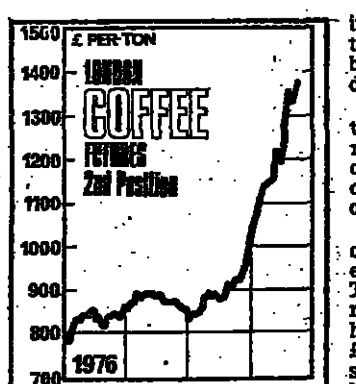
VALUES on the Lon[don coffee] and cocoa terminal [markets] climbed to all-time [peaks this] week, aided by the [further] decline in sterling.

[Coc]oa soared to £1,045.5 [i]mmediately after the [holiday as] the previous week's upsurge continued. [But some] traders felt that the [rise] represented an over[reaction to] recent indications of [a fall] in consumption and [prices fel]l sharply on Wednes[day].

[The] trend was resumed [with] a further £46.25 rise taking the July posi[tion to £]1,064.5 a tonne, up [on t]he week.

[The adv]ance in coffee prices [was] dramatic. July gain[ed ove]r £26.5 yesterday to [end the] week £128.5 a tonne [up on b]alance at £1,378. News [of] price increases in [th]e U.S. and France [helped] lift the market early [in the wee]k. Yesterday's increase [was spurred] by reports of zero [temperatur]es in Londrina, Brazil, [which was] severely hit by last [year's frost].

[Sugar pr]ices were less affected [b]y [currenc]y considerations, the [London da]ily price ending the [week] £4 a ton higher. [The firmer] tone may have been [induced] in the week by news



that sugar statistician, F. O. Licht, had reduced his estimate of world production to 81,727,000 tonnes, against 82,756,000 estimated in December. Concern over the effect of dry weather on French beet yields may also have encouraged the stronger tone.

Rubber futures values were also boosted by the weakness of sterling. The RSS No. 1 spot price gained 1.75p a kilo to 45p, on Tuesday. Trading activity was concentrated on the terminal market, where the July/September position gained 3p.

Prices fell later following news of a major tyre industry strike in the U.S., but spot rubber on the London physical market was back to the 45p level by yesterday's close.

Base metal prices all eased on the LME yesterday, but were recovering in late kerb and inter-office trading after the market closed. But values were still up on the week.

A further decline in the value of sterling was the main influence in the market again. On Tuesday, when the markets re-opened after the Easter holiday, copper traded at over £900 a tonne for the first time since June 1974. Cash wirebars last night closed £18.25 a tonne up on the week, £845.25.

Lead and zinc also recorded steep rises on the week, but tin was held back by heavy selling from the buffer stock of the International Tin Agreement.

There was a mixed reaction to news that the International Tin Council is calling a special meeting on May 4 to review the present market situation. It was felt that this could well mean a relaxation, or virtual abolition, of present existing export restrictions.

On the other hand, producers are also expected to press for a rise in the Tin Agreement's "ceiling" price

[WEEK]LY PRICE CHANGES

[illegible]	[illegible]

MARKET REPORTS

BASE METALS

[illegible]

SILVER

[illegible]

COCOA

[illegible]

COFFEE

[illegible]

GRAINS

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

JUTE

[illegible]

WOOL FUTURES

[illegible]

...76.90-75.50, May 78.90-78.30. Sales 278. Barley steady. Close: May 72.50, Sept. 71.80, Nov. 73.85, Jan. 75.80. Business: May 72.90-72.50, Sept. 73.05-71.55, Nov. 74.15-73.55, Jan. 75.70-75.50, Mar. 77.65-77.40. Sales 135.

HGCA—Location ex-farm spot prices: Feed wheat—Kent £71.75; Lancashire £72.90. Feed barley—Kent £71.00; Lancashire £72.05.

EEC DAILY IMPORT LEVIES and [illegible]

...398.0-397.5; March 304.5-304.8, 305.0-304.2; May 311.0-312.0, 311.5-311.0. Sales 294.

★

COPRA—Philippines: May $210, June $212.50, July $215 resellers per tonne c.i.f. North Euro ports.

FREIGHTS

DRY CARGO — Considerable improvement in N. American grain activity, with [illegible]

MEAT/VEGETABLES

[illegible]

FINANCIAL TIMES				
[illegible]				

REUTER'S				
[illegible]				

DOW JONES				
[illegible]				

MOODY'S				
[illegible]				

U.S. Markets

Grains ease on stocks report, coffee firm

NEW YORK, April 23.

COPPER and silver initially rallied on Commission House buying and sterling weakness, then eased to close mixed on Commission House liquidation. Coffee closed firm, with December limit up on cold weather reports from Brazil. Grains eased on Commission House liquidation and local selling in a bearish reaction to what had appeared to be a bullish stocks report, Bache reports.

Cocoa—Ghana spot 95 nom. (92 nom.). Bahia spot 93 nom. (90 nom.). May 89.10 (85.20), July 83.50 (81.50), Sept. 79.75, Dec. 74.25, March 71.55, May 69.85, July 68.55, Sept. 67.25. Sales 920.

Coffee—"C" Contract: May 128.28-128.50 (127.55), July 126.60-126.20 (124.80), Sept. 125.20-124.90, Dec. 121.83, March 119.60-120.00. Sales 1,347.

Copper—April 70.60 (70.60), May 70.80 (70.80), June 71.30, July 71.60, Sept. 72.50 settlements. Sales 7,200.

Cotton No. 2—May 60.70-60.85 (60.55), July 61.50-61.55 (61.50), Oct. 62.10, Dec. 60.80-60.85, March 61.65, May 62.00-62.20, July 62.25-62.40, Oct. 62.45-62.70. Sales 4,750.

†Gold—April 127.20 (127.30), May 127.60 (127.60), June 127.90, August 128.90, Oct. 130.00, Dec. 131.10, Feb. 132.30, April 133.60, June 134.90, August 136.20. Sales 802.

Greasewool—Spot 180.0 nom. (same). May 173.0 bid (173.0), July 171.0-179.5 (172.0), Oct. 174.0-179.0, Dec. 173.0-179.0, March 173.0 bid, May unquoted.

†Lard—Chicago loose 15.75 nom. (same). NY prime steam 17.25 asked (same).

††Maize—May 267¾-268 (265), July 272¾-273½ (272½), Sept. 270-270½, Dec. 266-266½, March 273½-274, May 277¾.

‡Platinum—July 159.20 (159.00), Oct. 162.60 (162.50), Jan. 165.40, April 169.10, July 172.00-172.20. Sales 429.

‡‡Silver—Spot 443.60 (440.00), April 438.90 (440.10), May 439.50 (440.90), June 442.00, July 444.50, Sept. 449.90, Dec. 458.30, Jan. 461.80, March 467.90, May 474.00, July 480.10. Sales 8,500.

*Soyabeans—May 477¾-478½ (486½), July 485¾-486 (494¼), August 489½, Sept. 494¾-494, Nov. 502, Jan. 509, March 517½, May 524½.

§Soyabean Meal—May 133.40-133.50 [illegible]

This week's SE dealings

Friday, April 23	6,107	Wednesday, April 21	5,820	Thursday, April 15	4,920
Thursday, April 22	6,995	Tuesday, April 20	5,553	Wednesday, April 14	5,166

The list below records all yesterday's markings and also the latest markings during the week of any share not dealt in Thursday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

The list below gives the prices at which bargains done by members of The Stock Exchange have been recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ● Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malaysian; $Mc—$Mexican; $NZ—$New Zealand; $S—$Singapore; $U.S.—$United States; $WI—$West Indian.

BRITISH FUNDS, ETC. (763)

Coventry 6pc 85½
Croydon 6¼pc 72
Edinburgh 6½pc 85¼ (22/4)
Glasgow 9¼pc 86½●
Gloucestershire CC 9¼pc 85¼● (22/4)
Hampshire CC 9¼pc 90¼ (20/4)
Hendon 5pc 97¹¹⁄₁₆● (22/4)
Hertfordshire CC 5¼pc 77 (22/4)
Islington 10pc 86¼ (20/4)

National Bank of Australasia ($A1) 270 (21/4)
National Westminster Bank 247● 20 3● 4 40 30 5 3 2 8 30½. Wrts. 84 1 3 2 5. 7pcPf. 58● 5½ 6. 8¼pcLn. 89¼● 80. 9pcLn. 71
Ottoman Bank (Br.) (£20 with £10 paid) 28½ ¼ 9
Royal Bank of Canada ($C2) $US29⅜● (22/4)

Audio Fidelity (10p) 34½
Audiotronic (10p) 52●
Ault W.borg (25p) 23
Aurora (25p) 58● (22/4)
Austin (James) Steel (25p) 74●
Automatic Oil Tools (5p) 60 (21/4)
Automotive Prods. (25p) 59 61 59½ 60½ 58½
Avana (5p) 16½

Sorral. (5p) 9½●
Burroughs Machines 3½pcLn. 18● (20/4)
Burton Group (50p) 64 (20/4). A (50p) 56 4
Burlin's 6½pcDb. 58½ (22/4). 8pcDb. 57½ (21/4)
Butterfield Harvey (25p) 28½

C—D

Esso profit drops sharply to £28m.

BY RHYS DAVID

ESSO PETROLEUM made a profit of £28.7m. last year — a drop of £27.5m. on the previous year — on total revenue up from £1.52bn. in 1974 to £1.67bn., the company's report, published yesterday, shows.

The profit figure takes into account a provision of £51.2m. for future taxation and the need to make provision for a loss of £18.3m. as a result of the revaluation of dollar-denominated loans which form a substantial part of the company's financing. The total operating profit after payment of excise duties and VAT was down £11.3m. — from £109.5m. to £98.2m.

The company's net assets during the year rose from £544.5m. to £789.7m. as a result of a major change on Esso's U.K. structure. Upstream activities in exploration and production, formerly carried out by a subsidiary, have been merged with the main U.K. transportation, refining and marketing company to form a single integrated unit.

Dr. Austin Pearce, chairman and chief executive, pointed to the serious problems faced by the industry last year and in particular product surpluses from the middle of the year because of the recession, warmer weather and energy saving.

"This major problem of no market growth with significant surplus product becoming available in Europe combined to affect the U.K. more severely than many other European countries. Despite this the company managed to produce a reasonable operating profit in 1975."

The company is critical of much recent legislation, claiming that in many cases provisions are ill-defined and the ways in which they will take effect uncertain. Endless debate cannot be afforded, the report says.

A warning is also given of the need for higher prices in view of spending on North Sea exploration. "We will have to generate a positive cash flow in the years to come and the cash flow comes from the prices we get from our customers."

Hongkong Shanghai Bkg. Corpn. ($HK2.50) 335● 20 23 7 3½ 8½ 8 5 $US4.14
Keyser Ullmann Hldgs. (25p) 41
Kleinwort Benson Lonsdale (25p) 112●
Lloyds Bank 227 3 20 5 6. New 235● 7½pcLn. 91● 87½
Mercury Secs. (25p) 118 19
Midlands Bk 287● 9● 3 5 80 2 2½ 7. 10¼pcLn. 78½. 7½pcLn. 82½● 1½
Minster Assets (25p) 59● 9 7½
National and Commercial Banking Group (25p) 70 ½ 70½●

Associated Leisure (5p) 29½● ½ 7½pc Ln. 40 (22/4)
Associated Newspapers (25p) 104 3
Associated Paper Inds. (25p) 35½● 30. 9½pcLn. 78 (21/4)
Associated Portland Cement 187● 5● 91● 84 52● 3 5 2. 6¼pcLn. 38 6½ (20/4). 7pcDb. 54½ (22/4). 9pcDb. 65½ (22/4)
Associated Sprayers (10p) 16 (20/4)
Associated Tele Cpn. A (25p) 65
Astbury Madeley (5p) 26●
Astra Secs. (10p) 18●

Brown (N.) Inv. (20p) 42● (22/4)
Brownlee (25p) 38 (21/4)
Broxlea Hldgs. (10p) 29 (21/4)
Brunning Group Res. Vtg. (25p) 32
Bruntons (25p) 97●
Bryant Hldgs. (25p) 23½● 4
Bulgin (A. F.) (5p) 16● (22/4). A (5p) 16●
Bullough (25p) 69 (20/4)
Bunzl Pulp and Paper (25p) 109 (22/4)
Burrdene Inv. (5p) 13 12 (21/4)
Burnett Hallamshire Hldgs. (25p) 54● (22/4)

4.55pcPf. 38
Development Secs. 312● 285. Capital 304 (21/4)
Dew (G.) (25p) 93● (22/4). New (25p) 95● (22/4)
Dewhurst Partner (10p) 10 (20/4)
Diamond Stylus (10p) 12 (20/4)
Dickinson, Robinson Gp. (25p) 124● 7● 5● 3 2. 7¼pcLn. 58½●
Dimplex Industries (5p) 6½● 6
Diploma Invests. (25p) 56. New (25p) 54 (20/4)
Dixons Photographic (10p) 84● 3. New (10p) 88● 7½ 7 (22/4)
Dobson Park Industries (10p) 46 5½ 3½ ¼
Dolan Packaging (10p) 66 7 (22/4)
Doland (George) (10p) 15½ (22/4)
Dom. Hldgs. (10p) 48½● 7½
Dorada Hldgs. (25p) 47½
Dorman Smith Hldgs. (20p) 122 (20/4). A (20p) 120
Douglas (Rbt. M.) Hldgs. (25p) 57 (20/4)
Dowding and Mills (5p) 18●
Downing (G. H.) (50p) 130
Dowty Grp. (50p) 169● 7 9. 7pcLn. 118 16 (22/4)
Dubilier (5p) 11½
Ductile Steels (25p) 118● 16
Dufay Bitumastic (10p) 38½
Dunbee-Combex-Marx (10p) 186● 2 6 5
Dunlop Hldgs. (50p) 94● 2 3 6 2½ 1¼ 1 4 3½. 5¼pcPf. 38½. 8pcLn. 50
Dunlop Textiles 6½pcPf. 46●
Duport (25p) 64● 5● 4 5 (22/4). 10pc Ln. 105●
Dutton-Forshaw Grp. (25p) 26 (22/4). Do. Ln. 79● 8 (22/4)
Dykes (J.) (Hldgs.) (25p) 40 (20/4)
Dyson (J. J.) A (25p) 37½● 8

E—F

EMI (50p) 249● 8● 1 2 7 3 2½ 4 5 3½. 5¼pcPf. 44. 7pcLn. 51½ (21/4). 7¼pcLn. 52¼ (20/4). 8¼pcLn. 1981 138 5 7
Early (Chas.) Marriott (Witney) (10p) 20● 3 (22/4)
East Lancashire Paper Grp. (25p) 46 7 (20/4)
East Sussex Eng. Grp. (10p) 30 (20/4)
Eastern Prod. Hldgs. (50p) 19. 10½pcLn. 44 3 (21/4)
Eastwood (J. B.) (5p) 58
Econa (10p) 28½●. 7¼pcLn. 44½
Edbro Hldgs. (25p) 116 (22/4)
Edwards (Louis C.) Sons (Manchester) (5p) 6¼ (21/4)
Ega Hldgs. (10p) 39 ¼ 8 (20/4)
Elbief (5p) 9¼●
Elco Hldgs. (10p) 26½● 5½
Electrical Ind. Secs. (25p) 42. 5pcPf. 30½ (20/4)
Electrocomponents (10p) 126● (22/4)
Electrolux B (Kr.50) $US27¼ (22/4)
Electronic Mach. (25p) 21●
Electronic Rentals Grp. (10p) 68
Elliott (B.) (25p) 64 (20/4)
Elliott (E.) (25p) 14●
Elliott Group Peterborough (10p) 34 (22/4). 9pcUnsecd.Ln. 89
Ellis (Richmond) (5p) 14
Ellis Everard (25p) 97 (22/4)
Ellis Goldstein (Hldgs.) (5p) 19¼● 20½ 20
Elson Robbins (25p) 42 (21/4)
Elswick-Hopper (5p) 10 (22/4)
Elys (Wimbledon) (25p) 48 (20/4)
Empire Stores (Bradford) (25p) 92● 89● 9
England (J. E.) (Wellington) (5p) 21 (20/4)
English Card Clothing (25p) 42
English China Clays (25p) 98½● 90 6 7 6½ 7½ 5½
English Electric 5½pcDb. 1977-82 72½. 5½pcDb. 1979-84 66● 4½. 7pcDb. 60 (20/4)
Esperanza Trade Transport (12½p) 111● 12
Eucalyptus Pulp Mills (25p) 39● (22/4)
European Ferries (25p) 63 2½ 4
Eva Inds. New (25p) 71
Ever Ready (Hldgs.) (25p) 133●
Ewer (G.) (10p) 22½
Exchange Teles. (Hldgs.) (25p) 79● (22/4)
Expanded Metal (25p) 80● 79 80 (22/4)

F.P.A. Construction Group (25p) 90 (22/4)
Fairbairn Lawson (25p) 35
Fairclough (Leonard) (25p) 208●. 8¼pc Ln. 150● (22/4)
Fairey (25p) 72 1½
Fairview Estates (10p) 58½
Farm Feed Hldgs. (25p) 65● 3 (22/4)
Farnell Electronics (20p) 94● 5
Feb Intnl. A (10p) 15½ (22/4)
Federated Chemical Hldgs. (25p) 53
Federated Land Building (25p) 23 (20/4)
Feedex (10p) 32½ 3½
Fenner (J. H.) (Hldgs.) (25p) 131 (22/4)
Ferranti 3.50pc2ndPf. 20 (22/4)
Ferry Pickering Group (10p) 41 (22/4)
Fertleman (B.) Sons (20p) 49½ (22/4)
Fidelity Radio (10p) 69● (22/4)
Findlay (Andrew R.) Group (25p) 19

Imperial Chemical Industries 395● 4● 5● 7● 9● 8½● 7½● 4½● 3● 3½● 5½● 2● 8● 3 90 7 2 5 86½ 8½ 91½ 4 89 7½ 90½ 89● 93½. 5pcPf. 42●. 5½pcLn. 37½ 8. 7¼pcLn. 54¼● 6● 3¼ 4 2 3½ 3 2½ 1½. 5¼pcLn. 82 (21/4). 6¼pc Ln. 95½ 4¾. 8pcLn. 59 8 7. 10¼pc Ln. 77½● 5½ 6½

هكذا اصل الأصل

N—O—P

[illegible]

Q—R—S

[illegible]

T—U—V

[illegible]

W—Y—Z

[illegible]

ELEC. LIGHTING & POWER (1)

[illegible]

FINANCIAL TRUSTS, ETC. (100)

[illegible]

GAS (8)

[illegible]

INSURANCE (182)

[illegible]

INVESTMENT TRUSTS (232)

[illegible]

UNIT TRUSTS (8)

[illegible]

IRON, COAL & STEEL (30)

[illegible]

MINES

Australian (11)

[illegible]

Miscellaneous (124)

[illegible]

Rhod. & E. African (11)

[illegible]

South African (75)

[illegible]

West African (2)

[illegible]

Diamond (9)

[illegible]

OIL (231)

[illegible]

PROPERTY (155)

[illegible]

RUBBER (25)

[illegible]

SHIPPING (56)

[illegible]

TEA & COFFEE (6)

[illegible]

TELEGRAPHS & TELEPHONES (—)

[illegible]

TRAMWAYS & OMNIBUS (1)

[illegible]

WATERWORKS 11

[illegible]

SPECIAL LIST

APRIL 23 (2)

[illegible]

APRIL 22 (Nil)

APRIL 21 (Nil)

APRIL 20 (Nil)

RULE 163 (1) (e)

Bargains marked under Rule 163 (1) (e) in securities for which quotation has not been granted and which are not recorded in the Official List.

APRIL 23

[illegible]

APRIL 22

[illegible]

APRIL 21

[illegible]

APRIL 20

Algoma Steel £19¼●
American Telegraph and Telephone £42¾●
Apollo Fund Units £18½
Bow Valley Inds. $US21⅞
Canadian Pacific Inv. $C10⁹⁄₁₆
Carr Boyd Minerals 5
Colonial Sugar Refineries 564
Courtaulds-Hilton 30
Endeavour Oil 13½
Hooker Corpn. New 24 Do. Ord. 103
Little Long Lac Mines 185‡
Nicholas International 600
Romatex 70●
TriContinental £15‡
Woolworth (F. W.) Com. £18⅞
Woolworth Holdings A 178

(By permission of the Stock Exchange Council)

...LDING SOCIETY RATES

	Deposit Rate	Share Accnts.	Subp'n Shares	Variable Term Shares
...tional	6.75%	7.00%	8.25%	●7.50%
	6.75%	7.00%	8.25%	‡‡7.75%
	6.75%	7.00%	8.25%	‖7.75%
...n Incorporated	6.75%	7.00%	8.25%	—
...nd Bingley	6.75%	7.00%	§8.25%	—
... West	6.75%	7.00%	8.00%	—
...onomic	6.75%	7.00%	8.25%	†7.25%
	6.75%	7.00%	8.25%	¶§7.75%
	6.75%	7.50%	8.50%	—
	6.25%	■7.40%	7.80%	—
	6.75%	7.00%	9.00%	†7.25%
...n and Gloucester	6.75%	7.00%	—	‡7.75%
...gency	6.75%	7.25%	8.75%	—
...ndon	7.00%	7.25%	8.25%	—
...etropolitan	6.75%	7.25%	7.50%	¶8.00%
...conomic	6.75%	7.90%	8.75%	§§7.75%
	6.75%	7.00%	8.25%	□7.50%
	6.75%	7.00%	8.25%	¶7.75%
	6.00%	7.10%	8.50%	—
	6.75%	7.25%	7.50%	†7.80%
	6.75%	7.00%	8.25%	¶7.75%
...nd Thanet	6.75%	7.00%	8.25%	—
... Oak & Enfield	6.75%	7.25%	8.50%	—
	7.00%	7.30%	—	*8.05%
...n Spa	6.87%	7.12%	9.50%	7.50%
... Holbeck	6.75%	7.00%	8.25%	—
...manent	6.75%	7.00%	8.25%	—
	6.75%	7.00%	8.25%	††7.75%
	6.75%	7.00%	8.30%	*7.50%
... Planet	6.75%	7.00%	7.75%	♡7.75%
...n Permanent	6.45%	7.85%	—	—
...ounties	7.00%	7.25%	8.25%	◊7.75%
	6.75%	7.00%	7.50%	⊕8.25%
...Permanent	6.75%	**7.00%	7.75%	8.00%
...don	7.50%	8.00%	—	⊕8.50%
...Rock	6.75%	7.00%	8.00%	‡8.00%
	6.75%	7.00%	8.25%	—
	6.75%	7.00%	7.50%	¶¶7.50%
...wners	6.75%	7.50%	8.50%	†7.85%
	6.75%	7.00%	8.25%	7.75%
	6.75%	7.00%	8.25%	‡‡7.75%
...tual	6.50%	◊7.30%	—	—
... Country	6.50%	7.00%	10.00%	¶¶7.75%
... Equitable	6.75%	7.00%	8.25%	†7.75%

[illegible]

NEW HIGHS AND LOWS FOR 1976

Too numerous to name individually, the 119 new 1976 lows recorded among securities listed in the Share Information Service yesterday are given below in their sub-sections. There were 37 new highs.

NEW HIGHS (37)

AMERICANS (4)

Citicorp — Manufac. Hanover
Eaton Corp — Singer

CANADIANS (1)

Canadian Pacific

BANKS (1)

Bank of America

BEERS (1)

Boddingtons

BUILDINGS (2)

Parker Timber — Vibroplant

ELECTRICALS (1)

Muirhead

ENGINEERING (2)

Bevan (D.F.) — Cook (W.) Sheff.

FOODS (1)

Banks (S.C.)

INDUSTRIALS (6)

Amalgamated Metal — Kershaw (A.)
Growther (W.) — Photo-Me
Dover Corp. — Vinten

INSURANCES (2)

Minet — Sedgwick Forbes

MOTORS (2)

Automotive — Blemal Bros.

PAPERS (1)

Ogilvy & Mather

PROPERTY (1)

Burton (M.) Prop.

TRUSTS (1)

New York & Gartmore

OVERSEAS TRADERS (1)

Ouvah Highfields

RUBBERS (3)

Golden Hope — London Sumatra
Guthrie

TEAS (1)

McLeod Russel

MINES (6)

Durban Deep — MIM
West Rand — Pacific Copper
Anglo Am. Coal — Berjuntai

NEW LOWS (119)

BRITISH FUNDS (5)

CORPORATION LOANS (3)

COMMONWEALTH & AFRICAN LOANS (1)

LOANS (MISCELLANEOUS) (4)

FOREIGN BONDS (1)

BANKS (2)

BEERS (2)

BUILDINGS (11)

CINEMAS (1)

DRAPERY & STORES (8)

ELECTRICALS (5)

ENGINEERING (2)

FOODS (8)

HOTELS (3)

INDUSTRIALS (23)

INSURANCE (2)

MOTORS (1)

NEWSPAPERS (2)

PAPER & PRINTING (7)

PROPERTY (14)

SHIPPING (1)

TEXTILES (8)

TRUSTS (8)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	3	52	4
Corpns., Dominion and Foreign Bonds	—	39	25
Industrials	138	801	794
Financial and Prop.	50	257	264
Oils	2	15	19
Plantations	7	3	36
Mines	59	20	18
Recent Issues	3	23	42
Totals	252	1,218	1,252

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
ICI	£1	14	393	− 2	411	334
GEC	25p	13	156	− 4	168	142
Shell Transport	25p	13	422	—	428	378
Beecham	25p	11	350	−10	372	339
BICC "New"	Nil/pd.	10	20*	− 4	28*	16*
BP	£1	10	645	—	648	575
GKN	£1	10	329	− 3	360	266
Metal Box	£1	10	276	− 4	302	260
RTZ	25p	10	229	− 3	239	178
Cons. Gold Fields	25p	9	175	− 1	220	146
Courtaulds	25p	9	147	− 4	169	144
Grand Met.	50p	9	69	− 2	88	67½
Lucas Inds.	£1	9	216	+ 4	234	185
Distillers	50p	8	145½	—	152	142
Dunlop	50p	8	93	− 2	98	69

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e) and reproduced to-day in Stock Exchange dealings.

* Premium.

ON THE WEEK—

Stock	Denomination.	No. of marks	Closing price(p)	Change on week*	1976 high	1976 low
ICI	£1	72	393	− 6	411	334
Shell Transport	25p	53	422	+ 8	428	378
Lucas Inds.	£1	47	216	− 4	234	185
RTZ	25p	47	229	+ 3	239	178
BP	£1	46	645	+10	648	575
BICC "New"	Nil/pd.	45	20*	− 3	28*	16*
Barclays Bank	£1	44	294	− 3	350	272
"Bats"	25p	39	368	—	378	342
Cons. Gold Fields	25p	39	175	+15	220	146
Metal Box	£1	38	276	+ 4	302	260
Beecham	25p	37	350	−12	372	339
Unilever	25p	37	462	—	470	428
Marks & Spencer	25p	36	90	− 3	108	88
Rank Org.	25p	35	164	+ 1	195	142
Ultramar 7pcConv.Rd.Pf.	Nil/pd.	35	1½*	− 1½	5*	½*

* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealing	Last Dealings	Last Declaration	For Settlement
Apr. 13	Apr. 27	July 8	July 20
Apr. 28	May 10	July 22	Aug. 3
May 12	May 24	Aug. 5	Aug. 17

"Calls" were dealt in Lonrho, F. Sumner, Brown and Tawse, Trust Houses Forte, J. Lyons "A," Courtaulds, Marks and Spencer, Charterhall Finance, Lennons, UDT, Slater Walker, GEC, British Land, Town and City, Tesco and Regional "A." "Puts" were down in EMI and BSG, while "doubles" were arranged in Lonrho, UDT, Slater Walker, Charterhall Finance, Guinness and Trust Houses Forte.

Industrials		Guardian	20	Spillers	5	Shell	22
		G.K.N	22	Tesco	5	Ultramar	50
A. P. Cement	15	Hawker Sidd	35	Thorn "A"	20		
Assoc. Leisure	3	House of Fraser	8	Tube Invest.	27	Mines	
Barclays Bank	22	I.C.I	21	Unilever	40	Anglo Amer.	50
Beecham	25	"Imps"	7	Utd. Drapery	10	Charter Cons.	16
Boots Drug	12	I.C.L.	14	Vickers	13	Chart'rh'll Fin.	6
Bowaters	16	Inveresk	7	Williams Hud'n	4	Cons. Gold	16
B.A.T.	30	Legal & General	13	Woolworths	6	De Beers Def.	35
British Leyland	7	Ladbroke	11			F. S. Geduld	350
BSC Int.	5½	Lloyds Bank	22	Property.		Grant Boulder	12
Burton 'A'	7	"Lofs."	4	Brit. Land	4½	Hampton Areas	12
Cadburys	6	"Mams"	6	Cap. Counties	5½	Hampton Prop.	4
Courtaulds	11	Marks & Sp'ncer	10	E.P.	8	Kloof	100
Debenhams	8	Midland Bank	22	Int. Europ	7	Lonrho	12
Distillers	13	Nat'l West Bank	20	Land Securities	18	Loraine	55
Dunlop	7½	"Do" Warrants	8¼	MEPC	10	Poseidon	55
Eagle Star	13	P & O Dfd.	11	Peachey	5½	Pres. Steyn	200
E.M.I.	17	Plessey	8	Town & City	5½	Rio T. Zinc	17
Gen. Accident	16	R.H.M.	6	Town & Comm.	4	Welkom	55
Gen. Electric	13	Rank Org. 'A'	18			West Areas	40
Glaxo	35	Reed Int'l.	25	Oils.		Western M'ng.	18
Grand Met.	7	Rothmans	4	Brit. Petroleum	40		
G.U.S. 'A'	17	Slater Walker	4½	Burmah Oil	7		

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Coventry (0203 25555)	11¾	½-year	1,000	5
Greenwich (01-854 8888)	11½	½-year	1,000	4-7
Liverpool (051 227 3911)	11	½-year	500	3-4
Liverpool (051 227 3911)	11¼	½-year	500	5-7
Monmouth (049 55 2311)	11	½-year	1,000	2
Reading (0734 55911)	11½	½-year	1,000	3-4
Reading (0734 55911)	11½	½-year	1,000	5-7
Redbridge (01-478 3020)	11¾	½-year	1,000	5-7
Sandwell (021 569 2226)	11½	½-year	1,000	3-5
Sefton (051 922 4040)	11½	½-year	2,000	2-5
Southend (0702 49451)	11	½-year	250	2-4
Sutton (01-642 6060)	11	½-year	500	4-6
Wandsworth (01-874 6464)	11¾	½-year	5,000	5-7
Wandsworth (01-874 6464)	11¾	½-year	1,000	5-7
West Yorkshire (0924 67111)	11	½-year	1,000	3
West Yorkshire (0924 67111)	11¼	½-year	1,000	4-7
Wrekin (0952 3571)	11¾	½-year	2,000	3

U.K. CONVERTIBLE STOCKS 23/4/76

Statistics provided by *data STREAM International*

Name and description	Size (£m.)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◊ Current
Alcan Aluminium 9pc Cv. 89-94	12.00	70.00	100.0	76-80	13.4	14.0						
Associated Paper 9½pc Cv. 85-90	1.40	79.00	200.0	76-85	12.4	13.2	12.9	0 to 13	49.1	48.8	− 0.5	− 13.3
Bank of Ireland 10pc Cv. 91-96	10.25	125.50	35.7	77-90	8.0	7.2	6.2	6 to 16	46.8	59.9	11.0	+ 4.9
BPB 7¾pc Cv. 89-94	4.89	97.00	62.0	72-80	8.0	8.1	2.9	− 1 to 13	21.8	23.1	1.4	− 1.5
English Property 6½pc Cv. 98-03	19.16	93.50	234.0	76-80	6.9	7.0	− 4.9	− 9 to 19	26.8	17.3	− 9.6	− 4.7
English Property 12pc Cv. 00-05	15.40	90.13	150.0	76-84	13.3	13.3	43.1	13 to 77	29.1	53.7	39.1	− 4.0
Grand Metropolitan 10pc Cv. 91-96	123.99	88.75	120.2	73-78	11.3	11.5	4.0	− 5 to 13	11.5	13.2	2.0	− 2.0
Hanson Trust 6½pc Cv. 88-93	4.51	90.00	57.1	76-86	7.3	7.6	15.8	−35 to 20	31.1	33.4	2.9	− 12.9
Hewden-Stuart 7pc Cv. 1995	0.72	130.00	280.0	75-95	5.5	4.7	10.5	7 to 29	57.2	46.4	− 9.2	− 19.7
Lyons, J. 7½pc Cv. 1981	3.60	74.00	22.7	75-81	9.9	14.6	193.3	146 to 209	11.9	25.5	53.9	−139.5
Slough Estates 10pc Cv. 87-90	5.50	138.00	125.0	78-87	7.4	5.7	28.4	21 to 35	24.0	56.7	30.4	+ 2.0
Tozer, Kemsley 8pc Cv. 1981	7.33	93.00	153.8	74-79	8.6	9.6	4.3	4 to 29	15.6	18.9	3.7	− 0.6
Wilkinson Match 10pc Cv. 88-98	11.10	85.00	40.0	76-83	12.2	12.4	39.8	36 to 50	23.2	46.9	38.9	− 0.9

* Number of Ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent. of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of Ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on Ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 5 per cent. per annum and is present valued at 15 per cent. per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 15 per cent. per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent. of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent. of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness.

Fresh nervous tremors in markets on sterling crisis

Share index down 4.2 at 401.0—Further reaction in Gilts

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Apr. 5	Apr. 14	Apr. 15	Apr. 28
Apr. 20	Apr. 29	Apr. 30	May 11
May 3	May 13	May 14	May 25

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

British Funds and Industrial shares gave further ground yesterday, after Thursday's sharp setback on the sterling crisis. Although the 1½ per cent. increase to 10½ per cent. in Minimum Lending Rate removed one of the markets immediate uncertainties, underlying conditions were still highly nervous awaiting judgement by foreign exchange markets on whether the move will be enough to stem the recent slide in sterling.

Fresh losses in Gilt-edged securities ranged to a point and the Government Securities index closed only 0.64 off its January low for the year with a loss of 0.63 more to 60.83, making a three-day fall of 2.47.

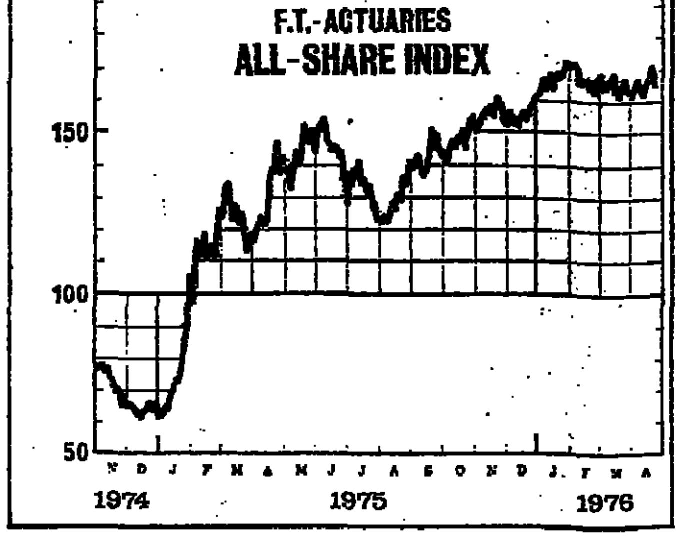
Leading industrials met with some sizeable selling during the morning and by 11 a.m. the FT 30-share index was showing a fresh loss of 6.9. However, Mr. Len Murray's pledge that there will soon be another wages deal between the Government and Unions prompted a smart rally and the fall i nthe index was reduced to one of 1.6 at noon. Thereafter, interest fell away considerably and a fairly gentle drift downwards left the index with a net fall of 4.2 at the close of 401.0, for a reaction of 18.6 from its 29-month peak of 419.6 touched on Wednesday.

Widespread losses in secondary issues were reflected in a 6-1 ratio of falls over rises in FT-quoted Industrials and a further loss of 1.7 per cent. to 165.63 in the FT-Actuaries All-Share index. The Financial sectors sustained some of the day's bigger falls.

The prospect of a point and a half rise in Minimum Lending Rate was too much for longer-dated Gilt-edged stocks which shed a further ¼ in the opening hour's trading and another ¼ prior to official indications that MLR would, in fact, rise to 10½ per cent. from 9 per cent. Thereafter, quotations held at the lower level without making any semblance of a recovery. Meanwhile, at the shorter end, the trend was easier but rallies did take place notably after-hours despite late easiness in sterling. This brought a mixed close with the short "tap." Treasury 9¾ per cent., 1981, regaining ⅛ at 92¼, from Thursday's over depressed level, but Treasury 10½ per cent., 1979, losing ¼ to 97⅛, after 96¾; other losses extended to ⅜. Corporations picked up the previous day's weakness in the main funds and fell 2½ points in places.

With sentiment still largely dominated by the course of sterling, the investment currency premium gained a point or more to 108½ per cent.; interest was generally light, but some demand was reported. Yesterday's SE conversion factor was 0.6850 (0.6908).

Despite closing a couple of pence above the day's worst, the big four Banks still recorded fresh falls of 9 following the 1½ per cent. increase in MLR. National Westminster were that much down at 234p, making a two-day fall of 24. Barclays, 294p, and Midland, 284p, were both 8 easier, while Lloyds closed 7 off at 225p. With the exception of Gerrard and National, which gave up 5 more to 255p, Discounts were much steadier after the previous day's sharp mark-down. Hire Purchases were upset by the MLR move and gave ground throughout the list: UDT shed 3 to 25 as did Lloyds and Scottish to 83p and FC Finance to 42p, while British Debt Services reacted 2 to 8p. After touching 62p, Provident Financial rallied to finish a net 2 easier at 66p.



Insurance brokers ignored the gloom elsewhere. C. E. Heath were prominent again with a fresh rise of 5 to 355p, making a gain on the week of 27; the results are due next month. Press comment on the results helped Leslie and Godwin pick up 4 to 121p and Minet Holdings recover 2 to 130p. Composites, however, contributed to the dull market trend. "Royals" shed 6 to 316p as did Phoenix to 220p. Similar falls in Life issues took in London and Manchester, 110p, and Pearl, 220p.

Breweries closed mixed. Scottish and Newcastle edged forward a penny to 55½p, but Bass Charrington receded 2 more to 96p for a two-day decline of 5. Elsewhere, George G. Sandeman were lowered 2 to 40p on the sharply reduced profits.

Taylor Woodrow remained on offer in Buildings, the Ordinary losing 6 at 276p and the new nil-paid shares falling 7 to 37p premium. Redland reacted 5 to 99p and losses of 6 were sustained by R. Costain, 229p, and Tunnel "B," 186p. Higher earnings, however, took Royco up 1½ to 27½p.

ICI moved erratically, touching extremes 397p and 391p before closing 2 easier on balance at 393p. Fisons lost 8 more at 379p, while Albright and Wilson, 91p, and Revertex, 84p, shed 4 apiece.

Entertainments had Howard and Wyndham 1½ off at 15p and Anglia "A" 4 cheaper at 113p.

Stores depressed

Stores continued on a downward tack, closing with falls ranging to 3 as in "Gussies" "A" at 200p. House of Fraser gave up 3½ at 88p, while British Home Stores, 353p, and Debenhams, 87p lost 4 apiece. Home Charm eased 2 to 90p on further consideration of the results. Currys reacted 5 to 109p while among smaller-priced issues, Polly Peck shed ½ at 3½p and Rosgill 1½ at 11p. Shoes had contrasting movements in Ward White, a penny better at 18p on the encouraging statement accompanying the results, and Garnar Scotblair, 79p, which gave up the previous day's rise of 3 that followed the results and "rights" issue proposal.

Electrical leaders lost further ground in moderate trading, although Plessey, 78p, after 77p, and Reyrolle Parsons, 126p, after 124p, finished unchanged on the day. Thorn Electrical stood out with a further fall of 10 at 258p, while GEC, 136p, EMI, 242p, and BICC new nil-paid, 20p premium, were all 4 lower. Against the general dullness, BSR, 111p, recouped 3 of the previous day's loss of 8, helped by the chairman's statement at the annual meeting. Farnell Electronics, 95p, retrieved 1½ of Thursday's reaction of 7½ which followed the disappointing results. R. and A. G. Crossland hardened a penny to 21p in response to the profits improvement. Declines of 5 occurred in Henry Wigfall, 155p, and Campbell and Isherwood 65p.

A later recovery in Engineerings took in only the leaders and Hawker rebounded from 434p to close unaltered on the day at 442p, while GKN ended 3 off at 329p, after 326p. Still supported to a degree by the good results and optimistic statement, Vickers eased only 2 to 190p, after 188p. Elsewhere, Blackwood Hodge fell 6 to 142p and losses of 5 were common to Brown and Tawse, 82p, Johnson and Firth Brown, 55p, and Lake and Elliot, 65p. Davy International rallied 2 to 132p and F. S. Ratcliffe Industries were raised 5 to 40p. News of the impressive second-half result lifted Hopkinsons 2 to 67p, while Charles Clifford rose 5 to 102p following a speculative recommendation.

Foods closed with some sizeable losses. J. Sainsbury with results due soon, reacted 6 to 111p, while similar falls were sustained by Tate and Lyle, 283p, Associated Dairies, 210p and Rowntree Mackintosh, 226p. Cadbury Schweppes shed a penny at 53p following Press comment on the results, while J. Bibby, a recent firm market, declined 7 to 96p.

Beecham flat

Beecham led the miscellaneous Industrial leaders lower yesterday with a fresh fall of 10 at 350p. Unilever reacted 6 to 462p, Glaxo 5 to 400p, and Metal Box 4 to 276p, but Rank Organisation ended only 2 easier at 164p, after 160p. Hoover "A", with first-quarter results expected next Thursday, closed 10 cheaper at 337p, after 330p, while the profits contraction brought reactions of 4 in Silhouette, 32p, and the "A", 30p. Kleeman Industrial receded 9 to 183p and Development Securities 20 to 260p, while losses of 7 were recorded in Robert McBride, 158p, and Johnson Matthey, 375p. Wilmn Industries responded to the higher profits with an improvement of 2½ to 29p and the advance in first-half profits left Photo-Me 3 better at 105p, while favourable Press comment prompted a gain of 1½ at 14½p in Mentmore. Wm. Crowther moved up 6 to 102p on speculative interest in a limited market.

After Thursday's fall of 18 on the proposed £42.7m. "rights" issue, Lucas rallied 4 to 216p. British Leyland made no apparent response to either news of car price increases or to the fresh labour unrest, closing without alteration at 30p.

More general easiness in Newspapers/Publishers took in Thomson, 234p, and United, 274p, both of which lost 4, while Liverpool Post gave up 3 at 95p and Associated Book a like amount at 76p. Yesterday's reference at the annual meeting to only a small net profit having been made during the first-quarter put Inveresk down 2½ to 64½p.

Land Secs. lower

The move to higher interest rates continued to unsettle the Property leaders, although business was thin and closing losses were mainly limited to 2 after Thursday's setback. Exceptionally, Land Securities finished 5 down at 161p, making a two-day fall of 12. MEPC, following the previous day's reaction of 7, ended 2 easier at 64p, after 63p. British Land, after declining further to 30½p, closed only ½ lower at 32p. Elsewhere, Hammerson "A" shed 5 to 320p ahead of results, due next Friday.

Oils again showed their underlying resilience by recouping early losses to close unchanged on the day. British Petroleum slipped to 637p before renewed currency hedge buying restored the price to the overnight level of 645p and, in similar circumstances, Shell rallied from 418p to end unaltered on balance at 422p.

Lonrho 6½ and 8½ per cent. Loans were raised 15 points apiece to £65 and £75 respectively on the proposals to repay the stocks at £67 and £76 per cent., while the Ordinary recovered 2 to 94p. Also against the easier trend in Overseas Traders, Ouvah Highfields hardened 2 to 45p.

Marked up a penny initially on news of the bid approach from Arbuthnot Latham (unaltered at 180p), East and West Investment Trust turned easier later to close a net 3 down on the day at 50p. Lahok Investment 12 per cent. Convertible ended 7 points lower at £92.

Courtaulds continued easier in Textiles, closing 4 lower at 147p for a two-day loss of 9. Nottingham Manufacturing came on offer at 72p, down 7, while losses of 3 and 5 respectively were seen in Sidlaw Industries, 76p, and S. Jerome, 45p. In front of Monday's results, Tern Consulate cheapened a penny to 19p and S. Lyles, with half-year figures due on Tuesday, lost 2 to 48p. Against the trend, "Snia-Viscosa" improved 9 to 113p.

With the exception of Assam Trading "B" which rose 10 more to 260p making a two-day gain of 60, Plantations were little changed.

Good week in Golds

South African Gold shares ended a good week showing further gains, although business was again minimal. The Gold Mines index put on 3.1 more to 174, making a gain of 21.6 over the past four days. Bullion was finally unchanged at $127.50 per ounce although 30 cents easier on the week. Interest mainly centred on the marginal producers, which registered further sharp rises in reflection of continued demand from Switzerland. West Rand Consolidated jumped 30 to a 1976 high of 250p on further consideration of the company's resumption of uranium production, while Durban Deep advanced 35 to 300p.

South African-based Financials continued to move ahead reflecting the trend in Golds and technical arbitrage considerations. Anglo-Vaal rose another half-point to £12—a week's gain of £2½—and Anglo American put on 6 to 290p.

London-based issues continued to move lower in line with the trend in U.K. Industrials, although they were still [illegible] over the week.

Coppers and [illegible] generally firmer [illegible] recent sharp r[illegible] tive metal pri[illegible].

Australians [illegible] the lower tr[illegible] home markets [illegible] on Monday fo[illegible] holiday.

Elsewhere, [illegible] 25 more to [illegible] on the week [illegible] the chairman [illegible] marks regard[illegible] antimony.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri. Apr. 23, 1976 Index No.	Day's Change %	Est. Earnings Yield % Max. Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Thurs. April 22 Index No.	Wed. April 21 Index No.	Tuesday April 20 Index No.	Thurs. April 15 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (179)	154.63	−1.5	14.67	5.66	10.28	10.19	157.04	160.06	158.43	155.53	121.38	160.06 (21/4)	143.65 (2/1)	206.57 (4/5/72)	50.71 (13/12/74)
2 Building Materials (30)	142.52	−1.9	12.34	6.27	12.28	12.27	145.33	147.94	146.25	143.80	110.59	150.16 (15/1)	138.49 (20/2)	233.84 (2/5/72)	44.27 (11/12/74)
3 Contracting, Construction (23)	223.08	−2.4	16.05	4.71	9.68	9.68	228.52	229.22	227.41	223.45	232.95	260.20 (15/1)	222.85 (13/4)	389.33 (18/5/72)	71.48 (2/12/74)
4 Electricals (16)	271.96	−1.7	15.05	4.55	9.81	9.53	276.71	287.30	283.72	275.67	213.08	287.30 (21/4)	250.60 (6/1)	350.04 (4/5/72)	86.71 [illegible]
5 Engineering (Heavy) (13)	183.29	−1.1	20.73	6.27	7.67	7.67	185.38	188.40	186.97	180.20	148.51	188.40 (21/4)	163.90 (6/1)	202.57 (6/6/73)	94.45 (1/2/76)
6 Engineering (General) (63)	143.96	−1.0	15.02	6.07	9.89	9.89	145.46	147.67	146.63	145.15	104.47	147.75 (7/4)	125.48 (2/1)	168.59 (4/5/72)	45.14 (6/1/75)
7 Machine and Other Tools (9)	57.78	—	14.61	6.51	12.33	12.33	57.79	58.77	58.86	58.58	45.06	60.17 (26/3)	51.19 (5/1)	136.70 (4/7/66)	19.96 (13/12/74)
8 Miscellaneous (25)	137.24	−1.6	13.89	6.07	11.29	11.03	139.47	140.14	137.66	134.75	108.80	140.14 (21/4)	121.53 (2/1)	177.41 (27/4/72)	49.65 (6/1/75)
9 CONSUMER GOODS (DURABLE) (53)	135.86	−2.2	15.10	4.78	9.88	9.87	138.95	141.46	139.87	137.26	85.91	141.46 (21/4)	131.87 (2/1)	227.78 (21/4/72)	38.39 (6/1/75)
10 Lt. Electronics, Radio TV (15)	152.65	−2.9	13.02	3.53	11.28	11.26	157.16	159.49	157.78	155.23	93.29	160.35 (7/4)	139.18 (2/1)	257.41 (19/5/72)	42.85 (12/12/74)
11 Household Goods (13)	181.83	−2.0	18.99	6.30	7.85	7.83	185.47	186.02	184.29	184.05	138.28	187.22 (7/4)	163.38 (2/1)	265.22 (4/5/72)	63.92 (17/12/74)
12 Motors and Distributors (25)	81.54	−1.2	17.09	6.30	8.94	8.94	82.55	85.01	83.92	81.39	49.57	85.05 (15/3)	70.05 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13 CONSUMER GOODS (NON-DURABLE) (168)	150.71	−2.1	14.33	5.94	10.49	10.41	154.00	156.29	154.39	151.47	134.37	162.24 (4/2)	148.09 (12/4)	226.08 (16/8/72)	61.41 (13/12/74)
14 Breweries (15)	155.23	−1.4	14.53	6.95	10.32	10.32	157.50	160.81	157.40	154.61	146.49	179.43 (2/2)	150.25 (12/4)	281.87 (28/11/72)	69.47 (13/12/74)
15 Wines and Spirits (7)	178.28	−0.3	10.54	5.68	14.40	14.40	178.82	180.46	178.12	175.89	161.14	185.89 (15/3)	173.82 (12/4)	257.40 (13/7/72)	78.81 (13/12/74)
16 Entertainment, Catering (14)	183.46	−2.7	13.08	7.19	11.76	11.67	188.62	194.22	190.19	185.73	138.87	211.26 (2/3)	182.25 (2/4)	329.99 (12/12/72)	54.87 (19/7/74)
17 Food Manufacturing (22)	170.88	−2.1	14.97	5.05	10.16	10.10	174.62	175.05	173.07	169.52	142.91	175.05 (21/4)	162.69 (20/2)	211.65 (1/5/72)	59.78 (11/12/74)
18 Food Retailing (16)	135.86	−3.0	12.14	5.14	11.98	11.98	140.07	142.01	139.57	137.79	137.71	150.05 (12/1)	135.51 (2/4)	235.08 (15/2/72)	54.25 (11/12/74)
19 Newspapers, Publishing (16)	171.86	−2.0	12.98	5.97	11.67	11.67	175.41	176.68	175.96	176.13	138.94	184.34 (11/3)	163.47 (2/1)	250.29 (18/1/72)	55.08 (6/1/75)
20 Packaging and Paper (12)	108.75	−1.8	19.28	7.19	7.91	7.91	110.71	110.00	109.46	107.01	97.15	112.50 (26/2)	104.18 (2/4)	135.69 (26/4/72)	43.46 (6/1/75)
21 Stores (34)	125.06	−2.5	12.23	5.52	12.61	12.59	125.99	128.44	127.43	124.82	124.18	136.24 (2/2)	121.50 (12/4)	204.39 (16/2/72)	52.63 (6/1/75)
22 Textiles (23)	164.78	−2.7	13.38	6.72	9.86	9.23	169.31	173.29	172.48	168.36	129.26	183.19 (30/1)	163.16 (12/4)	253.72 (17/9/62)	62.66 (11/12/74)
23 Tobaccos (3)	221.54	−2.1	19.68	6.40	7.75	7.75	226.35	230.10	226.66	222.72	178.33	236.22 (6/2)	211.56 (5/3)	339.16 (2/8/72)	94.34 (13/6/62)
24 Toys and Games (6)	72.84	−1.2	18.72	5.10	7.44	7.44	73.75	74.14	73.73	71.06	41.84	74.14 (21/4)	59.13 (22/1)	135.72 (16/1/70)	20.92 (6/1/75)
OTHER GROUPS (96)															
25 Chemicals (26)	222.66	−1.0	11.65	4.34	12.26	12.26	224.90	229.99	228.74	224.32	157.16	229.99 (21/4)	199.45 (6/1)	229.99 (21/4/76)	71.20 (1/12/74)
26 Office Equipment (9)	97.12	−1.2	13.26	5.32	11.49	11.49	98.31	99.82	98.16	96.18	96.55	99.82 (21/4)	85.09 (2/1)	246.06 (1/9/72)	45.34 (2/1/75)
27 Shipping (12)	373.47	−1.8	19.25	6.86	6.65	6.39	380.28	383.06	376.87	374.02	363.30	432.64 (30/1)	355.52 (19/3)	517.00 (5/12/73)	90.80 (29/6/62)
28 Miscellaneous (49)	167.87	−1.7	13.89	6.35	10.61	10.61	170.79	172.98	170.37	166.96	138.78	172.98 (21/4)	156.79 (2/1)	258.83 (2/5/72)	60.39 (6/1/75)
29 INDUSTRIAL GROUP (496)	158.77	−1.8	14.10	5.60	10.55	10.46	161.62	164.37	162.56	159.51	130.28	164.37 (21/4)	152.00 (2/1)	220.17 (1/5/72)	59.01 (13/12/74)
30 OILS (4)	368.06	—	11.64	4.47	9.93	9.19	368.12	369.02	366.63	361.78	248.38	369.02 (21/4)	331.34 (16/2)	431.66 (23/5/69)	87.25 (29/5/62)
31 500 SHARE INDEX	176.07	−1.5	13.71	5.42	10.43	10.24	178.74	181.37	179.50	176.29	140.32	181.37 (21/4)	167.51 (2/1)	227.95 (16/2/72)	63.49 (13/12/74)
32 FINANCIAL GROUP (100)	135.25	−2.7	—	5.40	—	—	138.95	142.11	140.21	137.63	138.60	153.46 (30/1)	132.75 (12/4)	241.41 (11/4/72)	55.88 (13/12/74)
33 Banks (6)	161.09	−2.8	18.99	5.26	8.10	8.10	165.78	170.81	168.79	164.20	153.52	192.16 (29/1)	152.93 (19/3)	286.32 (20/7/72)	62.44 (12/12/74)
34 Discount Houses (10)	156.24	−0.1	—	7.87	—	—	156.39	155.76	165.76	161.50	153.97	186.52 (13/1)	152.20 (1/4)	293.15 (2/7/72)	81.40 (10/12/74)
35 Hire Purchase (5)	112.71	−4.7	—	6.59	—	—	118.32	122.24	120.60	117.47	124.26	132.10 (26/2)	104.50 (2/1)	433.72 (4/5/72)	38.83 (11/12/74)
36 Insurance (Life) (9)	118.23	−3.6	—	6.04	—	—	122.64	125.23	123.58	122.70	115.49	129.46 (30/1)	118.23 (23/4)	194.46 (15/5/72)	44.88 (2/1/75)
37 Insurance (Composite) (7)	109.64	−2.8	—	6.40	—	—	112.76	114.95	113.31	111.95	105.56	119.75 (30/1)	105.32 (6/1)	155.76 (21/4/72)	43.96 (13/12/74)
38 Insurance (Brokers) (9)	249.10	−0.8	8.60	3.96	17.21	17.21	250.96	251.19	247.46	246.29	181.79	251.19 (21/4)	218.26 (5/1)	262.37 (12/12/72)	65.86 (16/12/74)
39 Merchant Banks (17)	81.86	−1.5	—	5.74	—	—	83.13	83.48	81.86	80.65	87.81	93.83 (27/1)	77.94 (9/4)	278.57 (1/5/72)	31.21 (7/1/75)
40 Property (31)	159.70	−2.7	3.16	3.09	55.84	56.74	164.18	168.83	166.73	162.32	224.97	194.57 (30/1)	155.65 (12/4)	357.40 (9/11/73)	56.01 (20/4/65)
41 Miscellaneous (6)	79.47	−1.5	16.45	7.07	9.52	9.52	80.67	80.63	79.01	78.80	71.58	91.98 (3/2)	78.10 (2/4)	303.13 (18/5/72)	33.29 (17/12/74)
42 Investment Trusts (50)	163.77	−1.5	3.16	4.43	32.94	32.92	165.88	165.59	161.69	159.52	166.71	184.65 (30/1)	155.54 (2/4)	245.79 (25/4/72)	71.63 (13/12/74)
43 ALL-SHARE INDEX (650)	165.63	−1.7	—	5.37	—	—	168.47	171.05	169.07	166.07	140.47	172.64 (30/1)	160.52 (2/1)	228.18 (1/5/72)	61.92 (13/12/74)
COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44 Rubbers (9)	490.55	+0.7	12.14	6.90	12.41	12.24	487.10	487.72	468.14	461.64	480.94	490.55 (23/4)	404.67 (14/1)	555.37 (23/7/71)	84.68 (25/8/65)
45 Teas (8)	135.70	−0.1	31.05	8.73	4.37	4.22	135.90	131.68	128.22	127.73	88.65	135.90 (22/4)	117.89 (7/1)	135.90 (22/4/76)	59.72 (17/10/74)
46 Coppers (3)	228.75	−4.1	43.20	7.51	2.31	2.31	238.55	223.44	218.38	205.34	450.23	301.47 (7/1)	178.95 (6/4)	567.78 (13/7/73)	94.08 (29/4/62)
47 Mining Finance (11)	108.42	−1.0	10.75	4.57	10.53	10.53	109.48	107.48	102.95	100.88	121.88	119.77 (7/1)	86.18 (3/3)	175.90 (28/4/69)	66.31 (30/9/74)
48 Tins (8)	105.50	−0.5	11.49	8.37	12.66	12.01	105.79	105.63	104.89	105.24	97.16	106.31 (13/4)	86.09 (9/2)	125.43 (12/1/73)	54.83 (27/5/71)
49 Overseas Traders (13)	245.70	−1.4	13.63	4.20	9.62	9.61	249.08	249.43	248.48	245.31	221.75	249.43 (21/4)	229.55 (2/1)	252.23 (30/5/75)	97.37 (6/1/75)

FIXED INTEREST	Friday, April 23 Index No.	Yield %	Thurs. April 22	Wed. April 21	Tues. April 20	Thurs. April 15	Wed. April 14	Tuesday April 13	Monday April 12	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1 Consols 2½% yield	—	14.19	13.99	13.60	13.60	13.66	13.85	14.04	14.13	15.16	—	—	—	—
2 20-yr. Govt. Stocks (6)	48.71	13.35	49.47	50.95	51.12	50.75	50.24	49.62	49.18	46.79	53.45 (30/1)	47.56 (2/1)	115.42 (11/3/65)	38.27 (6/1/75)
3 20-yr. Red. Deb. & Loans (15)	49.43	14.94	50.31	50.32	50.12	49.68	49.58	49.47	49.68	47.19	51.46 (4/2)	46.68 (2/1)	113.43 (23/10/63)	37.01 (6/1/75)
4 Investment Trust Prefs. (15)	47.49	14.57	47.90	47.90	47.67	47.85	47.85	47.85	47.85	43.68	51.83 (18/2)	46.50 (2/1)	114.41 (15/3/63)	34.43 (4/12/74)
5 Coml. and Indl. Prefs. (20)	65.01	14.69	65.65	65.81	65.71	65.61	65.56	15.56	65.63	61.07	71.97 (2/2)	62.76 (2/1)	114.95 (7/10/65)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Miscellaneous Financial	31/12/70	128.06
Engineering (Heavy)	31/12/71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Wines and Spirits	10/1/70	[illegible]	Insurance Brokers	29/12/67	96.67
Toys and Games	16/1/70	[illegible]	Mining Finance	29/12/67	100.00
Office Equipment	16/1/70	[illegible]	All Other	10/4/62	100.00
Industrial Group	31/12/70	128.20	† Redemption yield.		

calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an ICL 270 computer. A list of the constituents of the FT-Actuaries Share indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 20p.

MONEY + EXCHANGES

Minimum Lending Rate 10½%

Bank of England Minimum Lending Rate 10½ per cent. (since April 23, 1976)

The Treasury bill rate rose by 1.3548 per cent. to 9.9872 per cent. at yesterday's tender, and Bank of England Minimum Lending Rate was increased by 1½ per cent. to 10½ per cent. The minimum accepted bid was £97.50½, compared with £97.89½ previously, and bids at that level were met as to about 4 per cent. The £300m. bills offered and allotted attracted bids of £806.8m. and all bills offered were allotted. Next week £350m. will be on offer, replacing maturities of £400m.

Day-to-day credit was in lightly short supply overall and the authorities lent a small amount over the week-end to one or two houses at Minimum Lending Rate of 9 per cent. Banks carried forward surplus balances, but on the other hand there was a net market take-up of Treasury bills, revenue payments to the Exchequer exceeded Government disbursements, there was an increase in the note circulation, and the authorities held maturing local authority bills.

Discount houses paid 7¼-8 per cent. for secured call loans and rates touched 5 per cent. in places, before closing at around 8-8¼ per cent.

Rates in the table below are nominal in some cases.

April 23 1976	Sterling Certificates of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House deposits	Company deposits	Discount market deposits	Treasury Bills	Eligible Bank Bills	Fine Trade Bills
Overnight	—	8-9⅝	—	—	—	9	5-8¾	[illegible]	[illegible]	[illegible]
2 days notice	—	—	9-9⅝	—	—	—	—	[illegible]	[illegible]	[illegible]
7 days or 2 days notice	—	9¼-9⅝	9¼-9½	—	—	—	7-9	[illegible]	[illegible]	[illegible]
One month	10-9¾	9⅝-9⅞	9⅝-9⅝	11-10¼	9½-10¼	—	9	[illegible]	[illegible]	[illegible]
Two months	10-9⅞	9¾-10⅛	—	11-10¼	10-10⅛	—	9¼	[illegible]	[illegible]	[illegible]
Three months	10⅛-9 15/16	9 15/16-10 3/16	10-10¼	11-10¼	10¼-10¼	—	9½	[illegible]	[illegible]	[illegible]
Six months	10 5/16-10 3/16	10¼-10⅝	10¼-10¾	11-10¼	10½-11	—	—	[illegible]	[illegible]	[illegible]
Nine months	10¾-10½	10⅝-11	—	11½-11	11¼-11	—	—	[illegible]	[illegible]	[illegible]
One year	11-10⅞	10⅞-11¼	11¼-11½	11¾-11	11¼-12	—	—	[illegible]	[illegible]	[illegible]
Two years	—	—	12¼-12½	—	—	—	—	[illegible]	[illegible]	[illegible]

† Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rate nominally three years 13-13½ per cent.; four years 13½ per cent.; five years 13½-13¾ per cent. ♦ Bank bill rates in table are buying rates for prime paper; buying rates for four-month bank bills 10½-10⅝ per cent.; [illegible] per cent. Approximate selling rate for one-month Treasury bills 9 11/16 per cent.; two months 9 15/16-9[illegible] per cent. Approximate selling rate for one-month bank bills 9 11/16 per cent.; two-months 9 15/16 per cent.; [illegible] per cent.; for one-month trade bills 10½-10⅝ per cent.; two-month 10⅝-10¾ per cent.; and three-month [illegible]

Finance House Base Rates (published by the Finance Houses Association) 9 per cent. from April 1, 1976. Clearing Bank Deposit Rates for small sums at seven days' notice 5½ per cent. Clearing Bank Base Rates for lending 9½ per cent. Treasury Bills: Average tender rates of discount 9.9872 per cent.

EXCHANGES AND BULLION

Sterling moved up and down fairly sharply in the foreign exchange market yesterday in reaction to various events during the day. By the close however the pound was ¼ cent lower on the day, at its lowest ever closing level against the U.S. dollar, of $1.8225-1.8235. The Bank of England's calculation of sterling's trade-weighted depreciation since December 1971, widened to a record closing level of 37.5 per cent. from 37.4 per cent. previously.

The pound touched a best level of $1.8360-1.8370 in the morning, but fell to $1.8225-1.8235 before lunch in very nervous trading. Support from the authorities, and the statement from Mr. Len Murray that the TUC will reach agreement with the Government over pay limits in the coming year, helped push the rate up to $1.8335-1.8345, but a further decline was seen by the close. The rise of 1½ per cent. in Minimum Lending Rate had little sustained effect, partly because it was discounted by the pound's recovery on Thursday, but it may also be that the market was hoping for a larger increase than the U.K. authorities felt desirable for domestic reasons.

The U.S. dollar's trade-weighted average depreciation since the Washington Currency Agreement, as calculated by Morgan Guaranty of New York, narrowed to 1.44 per cent. from 1.84 per cent.

Gold closed unchanged at $127-128, and the krugerrand was also unchanged for domestic and international delivery.

EXCHANGE CROSS-RATES

April 23	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankfurt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
N. York	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Paris	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Brussels	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
London	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ams'dam	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Zurich	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U.S. $ in Montreal, [illegible] Canadian cents. Canadian $ in New York, [illegible] U.S. cents. U.S. $ in Milan [illegible]. Sterling in Milan [illegible].

EURO-CURRENCY INTEREST RATES*

April 23 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German Mark	Swiss Franc
Short term	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days' notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Euro-French deposit rates: [illegible]

Long-term Eurodollar deposits: [illegible]

The following nominal rates were quoted for London dollar certificates on deposit: [illegible]

* Rates are nominal closing rates.

* Short-term rates are call for sterling, U.S. dollars and Canadian dollars, two days' notice for guilders and Swiss francs.

FINANCIAL TIMES STOCK INDICES

	April 23	April 22	April 21	April 20	April 15
Government Secs.	60.83	61.46	63.24	63.30	63.02
Fixed Interest	60.44	61.97	62.39	62.30	62.42
Industrial Ordinary	401.0	405.2	419.6	414.8	409.0
Gold Mines	174.0	170.9	169.5	168.4	152.4
Ord. Div. Yield	5.25	5.19	4.97	5.02	5.06
Earnings Yld. % (full)	15.43	15.12	14.66	14.82	15.0[illegible]
P/E Ratio (net)	8.52	8.71	10.00	9.91	[illegible]
Dealings marked	5,107	6,895	5,820	5,553	4,92[illegible]
Equity turnover £m.	—	76.15	67.25	64.71	59.4[illegible]
Equity bargains total	—	16,744	16,772	14,507	15,80[illegible]

[illegible]

(a) Based on 52 per cent. corporation tax. (b) [illegible] Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. [illegible] Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 [illegible]	60.19 (2/1/76)	127.4 [illegible]	49.18 [illegible]
Fixed Int.	64.48 [illegible]	59.73 (2/1/76)	150.4 (28/11/47)	50.53 [illegible]
Ind. Ord.	419.6 (21/4/76)	381.6 [illegible]	549.6 [illegible]	49.4 [illegible]
Gold Mines	244.9 [illegible]	140.1 [illegible]	442.3 [illegible]	43.5 [illegible]

S.E. ACTIVITY

Daily— Gilt-Edged, Industrials, Speculative, Totals; 5-day Average— Gilt-Edged, Industrials, Speculative, Totals [illegible]

BASE LENDING RATES

Allied Irish Ba[illegible]
American Expr[illegible]
Anglo-Portugue[illegible]
Henry Ansbach[illegible]
Banco de Bilb[illegible]
Banco de Jere[illegible]
Bank of Cypru[illegible]
Bank of N.S.W.[illegible]
Banque du Rh[illegible]
Barclays Bank[illegible]
Barnett, Christ[illegible]
Bremar Holdi[illegible]
Brit. Bank of M[illegible]
■ Brown Shipley[illegible]
Canada Perma[illegible]
Cayzer, Bowate[illegible]
Cedar Holdings[illegible]
■ Charterhouse J[illegible]
C. E. Coates [illegible]
Consolidated C[illegible]
Co-operative B[illegible]
Corinthian Sec[illegible]
Credit Lyonna[illegible]
G. R. Dawes [illegible]
Duboff Brothe[illegible]
Duncan Lawrie[illegible]
English Transc[illegible]
First London S[illegible]
■ Antony Gibbs [illegible]
Goode Durrant[illegible]
Greyhound Gu[illegible]
Grindlays Bank[illegible]
■ Guinness Maho[illegible]
■ Hambros Bank[illegible]
Hawtin & Part[illegible]
■ Hill Samuel [illegible]
C. Hoare & Co[illegible]
Julian S. Hodg[illegible]
Hongkong & S[illegible]
Industrial Bk. [illegible]
Keyser Ullmann[illegible]
Knowsley & Co.[illegible]
Lloyds Bank [illegible]
London & Euro[illegible]
London Mercan[illegible]
Midland Bank [illegible]
■ Samuel Montag[illegible]
■ Morgan Grenfel[illegible]
National Westm[illegible]
Northern Comm[illegible]
Norwich Genera[illegible]
Portman Guar[illegible]
P. S. Refson & [illegible]
Rossminster Ac[illegible]
Schlesinger Lim[illegible]
E. S. Schwab [illegible]
Security Trust C[illegible]
Shenley Trust [illegible]
Standard Charte[illegible]
Trade Developm[illegible]
Twentieth Centu[illegible]
United Bank of [illegible]
Whiteaway Laid[illegible]
Williams & Gly[illegible]
Yorkshire Bank [illegible]

■ Members of the A[illegible] Committee.
* 7-day deposits 5½%, [illegible]
† 7-day deposits on su[illegible] under £25,000 5¾%, [illegible] £25,000 over 6%.
‡ Demand deposits [illegible]
§ Call deposits over £[illegible]

CORAL IN[illegible]
Close 399-[illegible]

I.G. INDI[illegible]
GOLD 126[illegible]

INSURANCE RATE[illegible]

† Atlantic Assuranc[illegible]
Cannon Assuranc[illegible]
Address shown under Property Bond table.

FOREIGN EXCHANGES

April 23 1976	Bank rate %	Day's spread	Close
New York	[illegible]	[illegible]	[illegible]
Montreal	[illegible]	[illegible]	[illegible]
Amsterdam	[illegible]	[illegible]	[illegible]
Brussels	[illegible]	[illegible]	[illegible]
Copenhagen	[illegible]	[illegible]	[illegible]
Frankfurt	[illegible]	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]	[illegible]
Madrid	[illegible]	[illegible]	[illegible]
Milan	[illegible]	[illegible]	[illegible]
Oslo	[illegible]	[illegible]	[illegible]
Paris	[illegible]	[illegible]	[illegible]
Stockholm	[illegible]	[illegible]	[illegible]
Tokyo	[illegible]	[illegible]	[illegible]
Vienna	[illegible]	[illegible]	[illegible]
Zurich	[illegible]	[illegible]	[illegible]

† Basic discount. ‡ Given rates are for convertible francs. [illegible]

OTHER MARKETS

[illegible]	[illegible]	[illegible]	[illegible]

GOLD MARK[illegible]

	April 23
Gold Bullion (a fine ounce) Close	$127-128
Opening	[illegible]
Morning fixing	$127.40
Afternoon fixing	[illegible]
Gold Coins domestically: Krugerrand	[illegible]
New Sovereigns	[illegible]
Old Sovereigns	[illegible]
Gold Coins internationally: Krugerrand	$131½-133½
New Sovereigns	[illegible]
Old Sovereigns	[illegible]
$20 Eagles	[illegible]
$10 Eagles	[illegible]
$5 Eagles	[illegible]

Based on rates quoted by special dealers. Rate given is Official Rate. SCRA rate [illegible]

FORWARD RATES

	One month	Three months
New York	[illegible]	[illegible]
Montreal	[illegible]	[illegible]
Amsterdam	[illegible]	[illegible]
Brussels	[illegible]	[illegible]
Copenhagen	[illegible]	[illegible]
Frankfurt	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]
Madrid	[illegible]	[illegible]
Milan	[illegible]	[illegible]
Oslo	[illegible]	[illegible]
Paris	[illegible]	[illegible]
Stockholm	[illegible]	[illegible]
Vienna	[illegible]	[illegible]
Zurich	[illegible]	[illegible]

Six-month forward dollar [illegible]

SPECIAL DRAWING RIGHT RATES

	April 23
Sterling	0.627[illegible]
U.S. dollar	1.14[illegible]
Canadian dollar	[illegible]
Belgian franc	[illegible]
Danish kroner	[illegible]
Deutsche mark	2.922[illegible]
French franc	5.369[illegible]
Italian lira	[illegible]
Japanese yen	344.3[illegible]
Norwegian krone	6.320[illegible]
Spanish peseta	[illegible]
Swedish krona	5.054[illegible]
Swiss franc	2.907[illegible]

SDR as calculated by the Monetary Fund in Washington [illegible]

AUTHORISED UNIT TRUSTS

G.T. Unit Managers Ltd.♥
16, St. Martins-le-Grand, EC3. 01-600 9461

G.T. Cap. Inc.	59.9	63.7	−1.5	2.80
Do. Acc	68.7	73.1	−1.8	2.80
G.T. Inc. Fd. Un.	104.6	111.2	−0.7	8.80
G.T. U.S. & Gen	131.1	139.4	+3.2	1.60
G.T. Japan & Gen	197.5	210.1	+4.9	0.70
♦Gt. Pens. Ex. Fd.	111.4	116.9	......	2.20

G. & A. Tst. (a) (G)
5, Rayleigh Rd., Brentwood. (0277) 227300

G. & A.	25.8	27.8	−0.7	5.21

REGIONAL MARKETS

...of the share prices previously shown under regional headings is ...w with quotations on London. Irish issues, most of which are not ...in London, are shown separately and with prices as on the Irish...

Craig Ship. £1	315	−5	Shiloh Spinn.	25	−1
Hallam Sleigh 10p	8	......	Sindall (Wm.)	53	......
Higsons Brew.	100	......	**IRISH**		
I.O.M. Stm. £1	130	−3	Alliance Gas (£1)	72	......
Holt (Jos.) 25p	230	......	Carroll (P. J.)	128	......
Kleen-e-Ze	19	......	Clondalkin	50	......
Lovell's Ship £1	80	......	Concrete Prods.	95	......
N'thn. Goldsmith	90	......	Goodbody (£1)	25	......
P.M.A.	47	−1	Heiton (Hldgs.)	29	......
Pearce (C. H.)	80	......	Irish Distillers	57	−½
Peel Mills	13	......	Irish Wire	[illegible]	......
RobbCaledon5p	44	......	Jacob	62	......
Sayers 12½p	14	......	Sunbeam	13½	......
Sheffield Brick	87	......	Unidare	70	......
Sheff. Refrshmt.	140	......			

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

NOTES

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1976 High	Low	Stock	£	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
95	92	Treasury 6½pc 1976‡‡	98⅞	+⅛	6.57	10.12
99	98⅝	Victory 4pc 1976‡‡	98⅝	......	4.06	—
101	99	Treasury 10½pc 1976‡‡	100	–⅛	10.50	10.37
97	95	Treasury 6¼pc 1977‡‡	96½	......	6.48	10.50
97¼	94½	Electric 3pc 74-77	94½	–½	3.18	9.58
103	92	Treasury 11½pc 77‡‡	100½	–½	11.44	11.05
94	91½	Treasury 3pc 77‡‡	92⅝xd	+⅜	3.24	8.14
94	92¼	Transport 4pc 72-77	92¼	–¼	4.34	9.13
97	90½	Treasury 9pc 1978‡‡	96⅞	–⅛	9.29	10.65
101½	98	Treasury 10½pc '78‡‡	99	–¼	10.61	11.00
95⅛	89⅝	Exchequer 5pc 76-78‡‡	89⅝	–⅛	5.58	9.91
103	100¼	Treasury 11½pc 79‡‡	100¼	–¼	11.47	11.37
85	23⅝	Treasury 3pc 79‡‡	85	......	3.53	8.14
89⅞	75⅞	Electric 4¼pc 74-79	86¾	–¼	4.90	8.21
100	96	Treasury 10½pc 79‡‡	97⅛xd	–⅛	10.81	11.50
88	85⅝	Electric 3½pc 76-79	85¾xd	–¼	4.06	8.21
95	91	Treasury 9pc 1980‡‡	92	–⅜	9.75	11.49
95½	92	Treasury 9½pc '80‡‡	93¾xd	–⅛	10.19	11.64
86	82¼	Treasury 3½pc 77-80	82¼	–¼	4.25	8.69
92¼	71	Funding 5¼pc '78-80‡‡	85¼	–¼	6.16	9.64
105	99	Treasury 11½pc 1981	99⅜	–⅜	11.57	11.65
86	80¼	Do. 3½% 1979-81	80¼	–¼	4.36	8.59
95⅞	92	Do. 9¾% 1981‡‡	92½	+½	10.54	11.94
		Five to Fifteen Years				
93¼	86½	Treasury 8½pc '80-82‡‡	90¼	–1	9.68	11.43
107¼	99½	Treasury 12pc 1983‡‡	100¼	–1	12.10	12.22
80¼	73¼	Funding 5½pc '82-84‡‡	78	–¼	7.19	9.93
87½	79⅝	Treasury 8¼pc '84-86‡‡	84½	–¾	10.36	11.53
74⅞	68¾	Funding 6½pc '85-87‡‡	68¾xd	–¼	9.46	11.58
77⅛	71	Treasury 7¾pc '85-88‡‡	74½	–1	10.68	12.19
51¼	45⅝	Transport 3pc '78-88	47¼	–½	6.41	11.04
59¾	55⅛	Treasury 5pc '86-89	55¾xd	–⅛	9.33	12.04
102¾	96	Treasury 13pc 1990‡‡	99½	–1	13.56	13.65
75⅞	68¾	Treasury 8¼pc '87-90‡‡	72¼	–¾	11.91	13.06
60	53⅝	Funding 5¾pc '87-91‡‡	54	–¾	10.71	12.76

Over Fifteen Years

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 46% (based on $1.8270 per £)

Conversion factor 0.6550 (0.6606)

CANADIANS

S.E. List Premium 46% (based on $1.8007 per £)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Misc.)

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

MINES—Continued

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

[illegible]

MISCELLANEOUS

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	8	Burma Mine 17½p	9	......	m0.5	—	1.5
39½	23	Charterhall 5p	25	−½	—	—	—
880	580	Cons. Murch. 10c	865	+25	Q80c	1.8	5.5
40	28	Laurasia	32	......	—	—	—
455	245	Northgate C$1	340	......	Q25c	0.3	3.6
239	178	R.T.Z.	229	−3	5.42	♦	3.7
112	85	Sabina Inds. C$1	87	−5	—	—	—
£11½	£10	Tara Exptn. $1	£11½	+⅛	—	—	—
122	88	Yukon Cons. C$1	120	+3	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- £ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ♦ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ♯ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- •• Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1975 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ◊ Regional price.
- ¤ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield include a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 17

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

FINANCIAL TIMES

Saturday April 24 1976

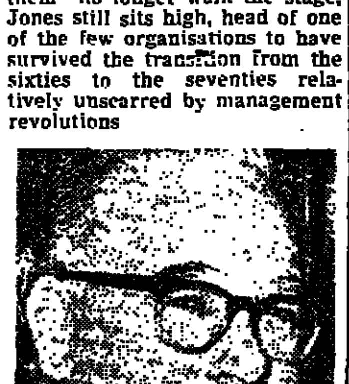
MAN OF THE WEEK

Praying for rain

BY ARTHUR SANDLES

THIS WEEK-END Mr. Wilf Jones will be out in the fields of his Kent farm praying for rain. For Jones, a chummy if pugnacious-looking character in his mid-fifties, rain means more than just encouragement for the runner bean seeds which he *hopes to get into the ground over* the next couple of days. It might also mean a few more bookings for the company he heads, Cosmos Tours, one of Britain's big three tour operators and, as such, an organisation which thrives on bad weather at home to make people dream of warmer *climes.*

Jones is a tour operator from the old mould—superficially. He has an air of hail-fellow-well-met, and scant regard for officialdom. Travel, he reckons, is not half as much fun as it used to be. But while the rest of tourism's old guard—Vladimir Raitz and Tom Gullick among them—no longer walk the stage, Jones still sits high, head of one of the few organisations to have survived the transition from the sixties to the seventies relatively unscarred by management revolutions



Part of the Jones formula for survival seems to have been his ferocious pursuit of commercial objectives, perhaps due to the fact that the shareholders of his *Liechenstein-based company* are less interested in proud images than the figures on the profit and *loss account. But Jones has not* shown himself unwilling to hit the headlines, and this week there he has been again, upsetting industry leaders Thomson and the state airline British Airways with cut price air fares to European holiday resorts.

In theory the rules surrounding package tour companies are supposed to prevent the sort of *cut price flying which Jones has* unveiled. The rules are that tour companies can only sell "packages"—trips which involve both transportation and accommodation. Jones is offering such packages—£31 for one week in Switzerland—but the accommodation involved is of such a standard that he doubts more than a third of his customers will use it. British Airways is furious over this by-passing of its scheduled fare structures, and the rest of the industry is cross because the rules might be so tightened as a result of the Cosmos move as to make low cost packages much more difficult *to operate.*

Jones affects innocence about the whole thing. He reckons he only got the headlines because the story was "leaked" rather than announced.

But the Jones past history suggests that he is rarely taken unawares by publicity. It was he who caused a storm over "slum" conditions at Luton airport and more recently stole some front pages with talk of "worker revolutions" in the travel business as the blue collar set took over from the middle classes.

Behind all these public extravaganzas lies a coolly calculating mind—and the secret of the Jones survival. The old days, he argues, were the days of the entrepreneur. "They made their money, but many of them were just not very good at adding up," he says. Once the companies began to grow and the entrepreneurs became involved with large bodies of employees, and had to deal with shareholders and parent *companies it all proved* too much. "They didn't fit into the running of big companies. They could not easily accept criticism and control."

But still Jones himself hankers for the old days when the boss could make decisions without looking over his shoulder. "There *is not so much time. A few years* ago we carried 200,000 people and had a turnover of £10m. This year it may be 500,000 people and £50m. At that level you have to spend more time on the boring things of business, dealing with lawyers and accountants."

An accountant by training *himself, Jones says this a little* wistfully. He started his travel wife with the Workers' Travel Association, which later became Galleon Travel, and later moved to Sir Henry Lunn. He joined Mr. George Jackman in the early sixties when Jackman, still on the board, was setting up Cosmos and its sister company, Monarch Airways. Now Cosmos is number two to Thomson in the tour league, and claims two thirds of the U.K. coach traffic abroad.

This year, however, things have not ben easy for the travel trade as a whole. "For the first time we do not know whether things are going to be good or bad, whether we are going to be up or down," says Jones.

A little rain would help.

U.S. money surge may tighten credit

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, April 23.

THE LATEST surge in the growth of the U.S. money supply has prompted fears that the Federal Reserve Board may be about to tighten credit and force up interest rates.

Highly-placed sources in the Administration are hinting that monetary policy may have to become somewhat more restrictive to avoid excessive stimulus to an economy which is rapidly moving from the state of recovery into the era of full-fledged expansion.

For the record, the Administration refuses publicly to attach significance to the weekly monetary statistics, though the financial markets in New York do not take them so calmly.

Government economists stress that trends in the broader monetary base aggregates are more significant, and the feeling here is that though the growth in *money supply has been reasonably* moderate, it has been more rapid than popularly imagined.

The New York Fed's figures, announced late yesterday, have certainly caused extreme nervousness on Wall Street. All interest rate yields were generally up a little today as the markets waited for some positive sign of the Fed's intention, which was still lacking at mid-day.

The statistics showed that M1 (currency plus checking accounts) rose by $3.4bn. in the week ending Wednesday, to $303.3bn. Over the last month, M1 has risen by an annual date of 9.1 per cent., far in excess of the Fed's target range of 4½ to 7½ per cent. a year.

M2, which includes time deposits, also jumped sharply, by $4.4bn. to $691bn. In the last month it has risen at an annual rate of 11 per cent. (above the Fed's 10½ per cent. upper ceiling).

The Fed's open market committe did meet earlier this week but, as is the rule, details of its deliberations will not be dis*closed until June.*

At the end of February the committee permitted short-term rates to climb and was thought to have instituted a tighter regime, but the evidence of the last month belies this. Wall Street remains divided on whether the Fed has now actually embarked on this course.

But the basic belief inside the Administration—which has enjoyed excellent economic news in the past week—is that the underlying rate of inflation is still about 6 per cent. and that it would be foolhardy to risk increasing it by applying too much monetary stimulus at present.

Thus it would be logical to expect some tightening in view of the evident expansion of the past month. It is felt that an increase in interest rates would not have much impact on business loan demand, simply because this remains remarkably sluggish.

This was underlined by the NY Fed yesterday when it reported that business loans at the leading New York city banks fell again in the week ending *Wednesday for the 13th time in* the past 14 weeks. The week in question was not a normal one, since it embraced the April 15 year-end tax payment date, when loans invariably go up.

Rubery Owen strike settled

By Peter Cartwright and David Churchill

BRITISH LEYLAND'S hopes for a return to full production next week improved yesterday with one strike settled and another likely to be resolved on Monday.

After 11 hours of talks with management at the Rubery Owen components factory at Darlaston, Staffs., the 32 drivers whose strike had halted all Leyland Mini production agreed to return to work on Monday.

At Cowley, Oxford, a peace formula was worked out between stewards and management which will be put to nearly 4,000 car assembly workers whose strike yesterday halted all production of Princess, Maxi and Marina models.

The settlement of the Rubery Owen drivers' strike last night came too late to prevent 1,000 more workers at Longbridge, Birmingham, from being laid off, bringing the total there to 2,000, and completely halting Mini production.

Over 1,500 Minis have so far been lost by the dispute, costing Leyland about £2.25m.

The drivers' strike also led to 2,000 workers at the Jaguar plant in Coventry being laid off, with only a trickle of finished cars being produced.

The 32 drivers, who deliver sub-frames and axles for Leyland cars, had been on strike in protest at lay-offs caused by an overtime ban at the factory. The return-to-work formula agreed is believed to involve more *negotiations on future lay-offs,* including payments when laid off.

Cowley formula

At Cowley the peace formula worked out is expected to cover more discussions following a return to work.

This follows the strike decision by 3,000 day-shift assembly workers yesterday morning in protest at the sacking of two men for a "clocking-out" offence. About 800 workers on the night shift also walked out.

About 1,300 Princess, Maxi, and Marina models were lost, costing Leyland some £2.5m.

The strikers felt that the company had been unduly harsh in dismissing the two men, who both had long records of unblemished conduct. But a Leyland spokesman said that the correct disciplin*ary procedure had been fol*lowed by the company and that this had not been exhausted when the workers went on strike.

News Analysis—A Costly clock-out, Page 9

Carrington suggests House of Lords reform

BY JOHN HUNT

PROPOSALS FOR radical reform of the Lords were put last night by Lord Carrington, leader of the Tory peers. His speech was a reply to Mr. Jack Jones, general secretary of the Transport and General Workers' Union, who earlier in the week attacked the upper house as "an outdated institution."

In a surprising rejoinder, Lord Carrington said that if Mr. Jones was making a serious point about the constitution and weakness of the second chamber then he agreed with him.

Lord Carrington proposed that the second chamber should con*sist of one-third directly elected* U.K. members of the European Parliament, a third directly *elected from the assemblies* which emerge from devolution and a third of existing hereditary and life peers.

This suggestion implies a big reduction in the House's membership. About 1,100 peers are entitled to sit in the Lords.

There are 36 U.K. members of the European Parliament, although this could well be substantially increased if, as expected, the size of the European Parliament is increased under direct elections.

Such a chamber would have to have increased powers at the expense of the Commons, Lord Carrington added, and he admitted that this could be an obstacle to the scheme.

Government reaction from Lord Shepherd, leader of the Lords, was that the reform of the upper house was necessary and long overdue but Lord Carrington's proposals were not the way.

"I think reform of the Lords should be solely within the context of a remit for the U.K., answerable to the U.K., and not *for regional issues."*

Although any reform is still a long way off the significance of Lord Carrington's speech is that the question is put back in the forefront of serious political debate for the first time in seven years.

It comes at a time when major *constitutional changes are on* the way in the form of devolution and direct elections to the European Parliament.

It also comes in the wake of strong attacks made on the Lords by Mr. Michael Foot, then Employment Secretary, when Opposition peers threw out the Trade Union and Labour Relations (Amendment) Bill last year.

Now, as leader of the Commons, Mr. Foot is in a powerful position to implement changes.

The last attempt at reform was made by the Labour Government with the Parliament (No. 2) Bill, introduced in 1968 and abandoned in April 1969.

This proposed a two-tier system of voting peers, consisting of life peers, and non-voting peers, consisting of hereditary peers. Eventually the hereditary element would have been phased out.

The Bill was supported by the Tory front bench but, ironically, was abandoned by Mr. Wilson afer vehement back bench attacks led by Mr. Michael Foot *from the Left and Mr. Enoch* Powell from the Right.

Speaking at Renfrew last night, Lord Carrington said there was no doubt about the need to *reform the Lords. The 1968* attempt would have removed some of the anomalies and *criticisms "justly directed"* against the House in its present form.

"Of course, as a basis for a legislative chamber the hereditary system is not appropriate," he said. "Of course it is wrong that there should be a permanent majority of any one party in a House of Parliament."

Now was the time to think of a much more radical approach, he suggested. With direct elections to the European Parliament there would be a real danger of the two parliaments drifting apart with the growth of jealousies and rivalries.

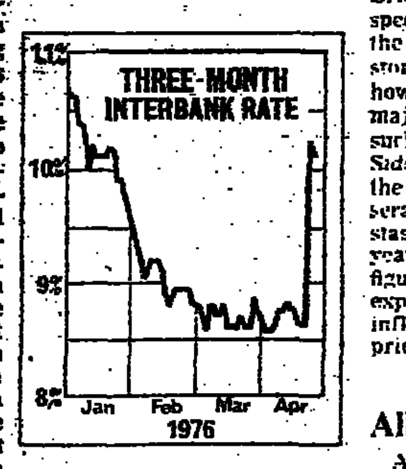
THE LEX COLUMN

Slipping back from the peak

The 30-share Index rose over 26 points to a new peak in the five trading days ending last Wednesday—and promptly retreated by nearly 19 points in the next two days. With sterling continuing to tumble, it was perhaps only a question of time before the authorities' nerve cracked. But the decision to reverse recent interest rate policies—at a time when the Government was starting to sell gilts again, and when the differential between U.K. and U.S. rates had actually widened a shade—came right out of the blue. The short end of the gilt *edged market* was punished on Thursday, and the yield curve flattened back yesterday as a result of sharp falls in the longs. The 20-year Government Stock Index is now nearly a tenth below its 1976 peak and gilts as a whole are back to levels not seen since the beginning of the year.

The ball now seems to be in the TUC's court, and any sign of an early settlement on the pay policy which was deemed to be acceptable in the foreign exchange market would presumably send prices swinging back up again. It would certainly override any edginess about U.S. interest rates stemming from the recent surge in the monetary aggregates there. The current gap of over five points between short-term rates in the U.S. and the U.K. is as large as at any time in the past two years with the exception of a fairly brief period last autumn. But the promise of a deal would not by itself provide any lasting satisfaction, and this week's events have again underlined the frailty of the Government's *present strategy.*

Index fell 4.2 to 401.0



Profits

A striking feature in recent weeks has been the number of leading companies reporting much better than expected *profits for the second half of* last year and also making confident forecasts about 1976. In the last few days, the list has included Unilever, Spillers, Vickers and Lucas. Taking the constituents of the 30-share index as a whole, market and *group forecasts indicate a rise* in pre-tax profits of just over a quarter to £2.22bn. for their various current financial years, mostly ending next December or March.

The overall rise is, of course, inflated by the £120m. or 35 per cent. plus increase projected for ICI's 1976 profits but, even so, only five of the constituents are expected to report rises of less than a tenth pre-tax for the period. Rights issues—totalling £284m. by 12 companies—mean a slightly smaller increase at the earnings level but on the forecast earnings the p/e ratio on the 30-share Index, now 9.32, *is lower than at any time during* the 1970s, the second half of 1974 apart.

The 30-share constituents together had sales of over £24bn., including those of overseas subsidiaries, for their last reported full 12 month period. So after *taking account also of the ex*pected earnings rise of nearly a third for the oil companies and an increase of perhaps a half to around £500m. at Unilever, a fair slice of the corporate sector is already accounted for — underpinning the recent upgrading by brokers of their overall profit forecasts for 1976. Phillips and Drew, for example, is now talking about a rise in financial and industrial *profits (excluding oil) of 27 per* cent. in calendar 1976. This takes in a forecast gain of 22 per cent. by the industrial *groups and a 59 per cent. rise* from the financials, where composite insurers are expected to achieve a near doubling in earnings.

Considerable variations are also expected in the profits performance of various industrial sectors — major recovery areas being chemicals and textiles, such as ICI and Courtaulds, while the turn round already evident in the second half of last year in food manufacturers profits is likely to be sustained. The gains by buil[...] manufacturers, [...]ciated *Portland* Brick, are like[...] spectacular tha[...] the immediate [...] stores is dull. W[...] however, is th[...] major engineer[...] such as Vicker[...] *Siddeley,* have h[...] the recession [...] scratch. And [...] stages of the b[...] year, these bette[...] figures and the [...] expectations hav[...] influence on [...] price performan[...]

Allied Poly[...]

Allied Polym[...] emerge a third [...] pre-tax which [...] sort of round-fig[...] people read int[...] forecast of a si[...] tion. Losses in [...] semi-submersible [...] area of activity—[...] £½m. while Aust[...] the red at a cos[...] and combined [...] *about account* [...] setback. Thus [...] static year [...] domestic applia[...] These are app[...] *down quite sha[...]* despite a usefu[...] of losses in hos[...] lia—which toge[...] worth as much a[...] —Allied is not t[...] of much earnin[...] year.

The six mont[...] going to be bac[...] first quarter ar[...] actual volume d[...] sizeable with t[...] (about 15 per ce[...] and domestic [...] per cent.) takin[...] *blame. And A[...]* *accounted for [...]* total turnover is [...] normally return[...] *loss.*

At the same [...] gearing has mov[...] over the past yea[...] capital has jump[...] *£10.7m.* partly as [...] unfavourable s[...] debtor/creditor [...] borrowings are c[...] *region of £14m.,* [...] end shareholde[...] £12.1m. Small wo[...] the shares are at [...] their 1976 best at [...] ing 9.9 per cen[...] times.

Bronfman and Agnelli will acquire stake in Latham Holdings

BY MARGARET REID

THE CANADIAN Bronfman whisky dynasty and the Italian Agnelli family which controls Fiat are to acquire interests in Arbuthnot Latham Holdings, the merchant bank which is one of the City's elite group of accepting houses.

Companies associated with both are, between them, buying the bulk of the 15 per cent. share stake in ALH hitherto held by East & West Investment Trust, for which ALH yesterday *launched a takeover bid, at 55p a share.*

The additional powerful shareholders will further reinforce the backing available to ALH, which already has important institutional shareholders, including Industrial and Commercial Finance Corporation and Philadelphia National Bank of the U.S.

It will be seen as another among several recent moves to strengthen the capital base of *merchant banks. Last year Pru*dential Insurance of the U.S. took a 9½ per cent. stake in Hambros, while more recently the private Lissauer Group backed the smaller Fraser Ansbacher with £4m. of new funds.

Mr. Trevor Dawson, a director of ALH, said last night of the prospective new shareholdings: "With the existing ones, I think it can be said that we have substantial financial muscle.

"Given shareholdings like these, it is reasonable to suppose that further capital would be available for expansion of our business." He added that his group, which had always been conscious of the need for full capital backing, looked to a wider future in international banking, in areas including North America and the Far East, *and with investment banking* a likely subject of interest.

ALH, which in 1973 acquired about half of East and West as a result of a takeover bid, is now planning a cash offer for the remaining shares of that company, having just bought the 16 per cent. holding of Cemp Investments, and the 3.3 per cent. interest of Mr. John Bosman for 50p a share. Cemp is the private company of the Bronfman family, one of whose members, Mr. Edgar Bronfman, heads the big U.S. whisky group, Seagram.

To eliminate cross-holdings, the 15 per cent. hitherto held in ALH by East and West is now being placed through the New York investment bankers Drexel Burnham.

Of this interest, 6.7 per cent. is being sold to a company in the *Common Market owned by* Cemp. Another holding of some 2.5 per cent. is going to SAIFI, which is jointly owned by IFI, the Italian company which controls Fiat, and Banco Nazionale del Lavoro of Italy. A further 2.7 per cent. is being sold to several industrial and other corporate investors in the EEC. All these holdings have been sold for 170p a share, which compares with last night's unchanged closing price of 180p for ALH.

Mr. John Bosman is acquiring, also at 170p a share, a further 3.3 per cent. of ALH, in which Drexel Burnham is already a holder of some 6.8 per cent.

Lisbon clashes mar election campaign

BY PAUL ELLMAN LISBON, April 23.

CLASHES BETWEEN Left and Right-wing supporters marred the closing stages to-day of the election campaign for Portugal's first free Parliamentary ballot in half a century.

Campaigning ends by law at mid-night to-night to allow the country 6,544,591 voters a "day of reflection" before going to the polls on Sunday.

As the campaign drew to a close, groups of party activists appeared in central Lisbon, honking car horns and making loudspeaker appeals to voters, who have failed to show much enthusiasm for the campaign, to turn out on Sunday.

The first incidents of the evening occurred as a motorcade of supporters of the conservative Centre Democratic Party (CDS) toured the main avenues of the capital. Left-wingers gathered outside the Cuban Embassy — scene of a bomb attack yesterday — and hurled abuse and stones at the cars as they went past.

Later, as the motorcade was stopped to allow other CDS supporters to join it, workers from a nearby construction site leapt over a wall and began attacking the Right-wingers with fists and stones. Two CDS supporters were taken away for hospital treatment their heads bleeding profusely.

Riot police again appeared in the streets during the evening — which is to be marked by a series of set-piece political rallies.

Among potential flashpoints was a gathering called by the Popular Democrats in the First of May Staduim to mark the end *of their campaign, during which* Sen. SA Carneiro, the party leader, concentrated most of his energy on the centre and the north of the country. There the Socialists stand to lose some of their most important support, but the PPD itself is also under heavy pressure from the CDS.

The pattern revealed by the few polls about which information is available—their publication is forbidden under the electoral law—is that the three parties likely to emerge at the head of Sunday's list, the Socialists, PPD and CDS, have all lost some support to each other. The most likely outcome, according to political observers, is that the voters will give no clear-cut decision.

All the polls, including one conducted privately for the Communist Party, point to the Socialists just managing to maintain their position as Portugal's biggest single party, but with a vote reduced from last year's 37.9 per cent. of the total.

The PPD is likely to remain in second place, but with a drop in its support as well, while the CDS is expected to replace the Communists as the third biggest party, turning its 7.6 per cent. in last year's Constituent Assembly election into something well on the way to 20 per cent.

The Communists are privately counting on keeping their vote at around 12 per cent., despite the hostility of groups on the far left, who accuse the party of "betrayal" in last November's abortive coup.

To compensate for its losses, the Communist Party is counting on capturing almost all the votes which were cast last year for the Portuguese Democratic Movement (MDP), which is not running this year "in the name of Left unity."

Whatever the outcome of Sunday's poll, however, observers here are viewing with growing concern the prospect of another round of political instability over the next two months as the country remains without an effective Government.

Under the constitution—which also takes effect on Sunday—the Sixth Provisional Government, whose membership reflects the outcome of last year's election, is to remain in office until a new President is elected in mid-summer.

Some political figures are already calling for this provision to be ignored and for the creation of a new Government which would take into account Sunday's result.

Weather

U.K. TO-DAY

SUNNY with showers, dry in places.

London, E Anglia, S.E. and S.W. England, E. Midlands, Channel Is.

Sunny intervals, scattered wintry showers. Wind N.E. Max. 9C (48F).

W. Midlands, Wales, Lakes, N. England, Isle of Man

Sunny spells, a few showers. *Wind N.E. Max. 10C (50F).*

Borders, Edinburgh, Dundee, Aberdeen, Moray Firth areas, Highlands, N.E. Scotland, Orkney, Shetland

Mainly dry, cloudy, sunny intervals. Wind N. Max. 10C (50F).

S.W. and N.W. Scotland, Argyll, N. Ireland

Dry, sunny spells. Wind N. to N.E. Max. 11C (52F).

Outlook: Mostly dry with sunny spells.

Lighting-up: London 20.41. Manchester 20.55; Glasgow 21.11. Belfast 21.14.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Alexndria.	S	22	72	Madrid	F	13	55
Amstrdm.	F	7	45	Manchstr.	R	9	48
Athens	F	17	63	Melbourne	C	11	52
Barcelona	F	18	68	Milan	R	12	54
Beirut	C	19	66	Montreal	C	11	52
Belfast	S	11	52	Moscow	S	16	61
Belgrade	F	21	70	Munich	Sn	1	34
Berlin	C	6	43	Newcastle	F	7	45
Birmghm.	F	8	46	New York	S	23	73
Bristol	F	10	50	Oslo	F	11	52
Brussels	F	7	45	Paris	F	9	49
Budapest	C	15	59	Perth	S	29	84
B. Aires	C	16	61	Prague	F	6	43
Cairo	S	28	82	Reykjavik	C	8	46
Cardiff	F	9	48	Rio de J'o	R	24	75
Cologne	F	7	45	Rome	T	13	55
Copnhagn.	Sl	5	41	Singapore	C	31	86
Dublin	S	8	46	Stockholm	S	11	52
Edinb'rgh	S	10	50	Strasb'rg	C	6	43
Frankfurt	F	8	46	Sydney	S	18	64
Geneva	Dr	6	43	Tehran	S	20	68
Glasgow	F	12	54	Tel Aviv	S	20	68
Helsinki	C	7	45	Tokyo	C	17	63
Hong Kong	S	27	80	Toronto	S	9	48
Jo'burg	S	26	79	Vienna	C	6	43
Lisbon	F	16	61	Warsaw	R	4	39
London	C	7	45	Zurich	R	3	37
Luxemb'g	F	5	41				

HOLIDAY RESORTS

Ajaccio	R	13	55	Las Plms.	F	20	68
Algiers	F	20	68	Locarno	R	9	48
Biarritz	F	12	54	Luxor	S	30	86
Blackpool	F	9	48	Majorca	F	19	66
Bordeaux	S	12	54	Malaga	C	16	61
Boulogne	F	6	43	Malta	F	18	64
Casablnca.	S	18	64	Nairobi	S	25	76
Cape Town	S	21	70	Naples	F	15	59
Corfu	C	17	63	Nice	C	14	57
Dubrovnik	C	16	61	Oporto	F	14	57
Funchal	S	19	66	Rhodes	S	18	64
Gibraltar	R	15	59	Salzburg	C	3	37
Guernsey	F	8	46	Tangier	R	16	61
Innsbruck	R	5	41	Tenerife	F	15	59
Inverness	C	7	45	Tunis	F	20	68
Istanbul	S	13	55	Valencia	S	20	68
Jersey	F	5	41	Venice	C	16	61

R—Rain. S—Sunny. F—Fair. Dr—Drizzle. Sn—Snow. T—Thunderstorms.

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